



**REPUBLIC OF TRINIDAD AND TOBAGO  
AUDITOR GENERAL'S DEPARTMENT**

**R E P O R T  
O F T H E  
A U D I T O R G E N E R A L**

**ON THE CONSOLIDATED FINANCIAL STATEMENTS  
OF THE  
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

**FOR THE YEAR ENDED**

**31<sup>st</sup> December, 2015**



**TO: THE BOARD OF DIRECTORS  
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO  
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO  
UNIT TRUST CORPORATION FOR THE YEAR ENDED 31 DECEMBER, 2015**

The accompanying consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31 December, 2015 have been audited. The Statements as set out on pages 1 to 72 and on pages referenced A-1 to A-20 comprise:

- (i) A Consolidated Statement of Financial Position as at 31 December, 2015, a Consolidated Statement of Profit or Loss, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Changes in Equity and a Consolidated Statement of Cash Flows for the year ended 31 December, 2015 in respect of the Trinidad and Tobago Unit Trust Corporation;
- (ii) Notes to the Consolidated Financial Statements for the year ended 31 December, 2015 numbered 1 to 37; and
- (iii) Additional Information comprising a Statement of Financial Position as at 31 December, 2015, a Statement of Profit or Loss, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 31 December, 2015 in respect of each of the following: the Growth and Income Fund (First Unit Scheme), the TT Dollar Income Fund, the Universal Retirement Fund and the US Dollar Income Fund respectively.

**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

2. The management of the Trinidad and Tobago Unit Trust Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

3. The Auditor General's responsibility is to express an opinion on these consolidated financial statements in accordance with section 30 (4) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03 (the Act) based on the audit. The audit which was carried out in accordance with section 30 (1) of the said Act was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be



planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the comments made at paragraph six.

### **OPINION**

6. In my opinion, the Consolidated Financial Statements present fairly, in all material respects, the financial position of the Trinidad and Tobago Unit Trust Corporation, its four locally domiciled funds and its subsidiaries as at 31 December, 2015 and their financial performance and cash flows for the year ended 31 December, 2015 in accordance with International Financial Reporting Standards.

24<sup>th</sup> MARCH, 2016



*MAJ*  
**MAJEED ALI**  
**AUDITOR GENERAL**

SS  
20160324

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 31 December, 2015

Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
<b>ASSETS</b>				
Cash and Cash Equivalents	3	1,702,425	2,398,439	4,374,680
Receivables		181,286	163,734	170,904
Prepayments and Other Assets		253,625	19,030	17,121
Investment Securities	4	18,928,502	18,678,727	16,968,152
Property, Plant and Equipment	5	165,296	163,460	164,273
Intangible Assets	6	1,428	2,554	5,996
Deferred Tax Asset	9	85	-	-
<b>TOTAL ASSETS</b>		<b>21,232,647</b>	<b>21,425,944</b>	<b>21,701,126</b>
<b>LIABILITIES</b>				
Accounts Payable and Short-term Liabilities		67,286	60,762	53,420
Financial Instruments	7	60,276	573,190	1,175,544
Distribution Payable		54,935	35,381	27,128
Deferred Income Tax Liability	9	-	6,964	5,513
Pension and Other Post-retirement Liabilities	10	13,485	11,734	12,997
Guarantee Pricing Liability	11	4,943	3,723	5,043
Net Assets Attributable to Non-group Interests	12	19,766,638	19,494,376	19,265,912
Other Liabilities		1,647	3,574	8,954
<b>TOTAL LIABILITIES</b>		<b>19,969,210</b>	<b>20,189,704</b>	<b>20,554,511</b>
<b>EQUITY</b>				
Statutory Reserves	13	5,050	5,050	5,050
Revaluation Reserve	14	40,755	155,234	194,991
Retained Income		1,217,632	1,075,956	946,574
		1,263,437	1,236,240	1,146,615
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>21,232,647</b>	<b>21,425,944</b>	<b>21,701,126</b>

  
Chairman



  
Executive Director

**Trinidad and Tobago Unit Trust Corporation**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago dollars**

	Notes	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000
<b>INCOME</b>			
<b>Investment Income -</b>	<b>15,16</b>		
Growth & Income Fund		283,155	168,647
TT\$ Income Fund		283,123	293,945
Universal Retirement Fund		8,620	10,050
US\$ Income Fund		104,239	100,707
Net Investment Income - Group Operations	<b>16</b>	85,782	23,014
Realized Gains Re-classified from Equity	<b>17</b>	32,297	78,034
Initial Charge		9,434	11,952
Other Income		5,738	12,866
<b>Total Income</b>		<b>812,388</b>	<b>699,215</b>
<b>EXPENSES</b>			
Commissions		(14,781)	(17,529)
Impairment	<b>18</b>	(113,746)	(165,591)
Administrative	<b>19</b>	(242,104)	(226,206)
Depreciation and Amortisation		(13,698)	(18,751)
<b>Total Expenses</b>		<b>(384,329)</b>	<b>(428,077)</b>
<b>Net Income before Finance &amp; Guarantee Charges</b>		<b>428,059</b>	<b>271,138</b>
Finance Charges	<b>20</b>	-	(22)
Guarantee Pricing Provision	<b>11</b>	(5,354)	(419)
<b>Net Income after Finance Charges &amp; Guarantee Charges</b>		<b>422,705</b>	<b>270,697</b>
Distributions to Non-group Interest	<b>25</b>	(164,894)	(146,726)
Transfer from Non-group Interest to Reserves	<b>32,33,35</b>	(11,505)	(15,852)
Income Capitalized by Non-group Interest	<b>34</b>	(1,159)	(2,042)
Net (Income)/Loss Attributable to Non-group Interest		(101,175)	31,087
<b>Net Income before Taxation</b>		<b>143,972</b>	<b>137,164</b>
Taxation	<b>8</b>	(9,347)	(9,194)
<b>Net Income for the year</b>		<b>134,625</b>	<b>127,970</b>

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2015

Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000
<b>Net Income for the year</b>		<b>134,625</b>	<b>127,970</b>
<b>Other Comprehensive Income:</b>			
<i>Amounts that may be transferred to Profit or Loss in the future:</i>			
Revaluation of Available-for-Sale Financial Assets	14	(85,492)	44,958
Exchange Differences on Translating Foreign Operations	14	(3,428)	(5,978)
<i>Amounts that will not be transferred to Profit or Loss in the future:</i>			
Re-measurements of Pension and Other Post Retirement Liabilities	10	6,738	(703)
		(82,182)	38,277
Fair Value gains transferred to Profit or Loss	17	(32,297)	(78,034)
<b>Other Comprehensive Loss for the year</b>		<b>(114,479)</b>	<b>(39,757)</b>
<b>Total Comprehensive Income for the year</b>		<b>20,146</b>	<b>88,213</b>

**Trinidad and Tobago Unit Trust Corporation**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December, 2015**

Expressed in Trinidad and Tobago dollars

	<i>Statutory Reserves \$'000</i>	<i>Revaluation Reserve \$'000</i>	<i>Retained Income \$'000</i>	<i>Total \$'000</i>
<b>Balance as at 1 January, 2015</b>	5,050	155,234	1,075,956	1,236,240
Total Comprehensive Income for the year	-	(114,479)	134,625	20,146
Adjustment for UTC Property Holdings	-	-	7,051	7,051
<b>Balance as at 31 December, 2015</b>	<u>5,050</u>	<u>40,755</u>	<u>1,217,632</u>	<u>1,263,437</u>
<b>Balance as at 1 January, 2014</b>	5,050	194,991	946,574	1,146,615
Total Comprehensive Income for the year	-	(39,757)	127,970	88,213
Adjustment for SPC Cayman	-	-	1,412	1,412
<b>Balance as at 31 December, 2014 (Restated)</b>	<u>5,050</u>	<u>155,234</u>	<u>1,075,956</u>	<u>1,236,240</u>
<b>Balance as at 1 January, 2013</b>	5,050	253,438	832,186	1,090,674
Total Comprehensive Income for the year	-	(58,447)	114,388	55,941
<b>Balance as at 31 December, 2013 (Restated)</b>	<u>5,050</u>	<u>194,991</u>	<u>946,574</u>	<u>1,146,615</u>

The accompanying notes form an integral part of these consolidated financial statements.



**Trinidad and Tobago Unit Trust Corporation**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago dollars**

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
<b>OPERATING ACTIVITIES</b>		
Net Income before Taxation	143,972	137,164
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Net Income Attributable to Non-group Interests	278,734	133,532
Depreciation and Amortisation	13,698	18,751
Impairment - Non-financial Assets	-	391
Impairment Financial Assets	113,746	165,591
Loss/(Gain) on sale of Property, Plant and Equipment	58	(139)
Guarantee Pricing Provision	5,354	419
Revaluation of Reserve Assets	375	625
	<u>558,937</u>	<u>456,334</u>
<i>Movements in Net Current Assets</i>		
(Increase)/Decrease in Receivables	(17,552)	7,168
Increase in Prepayments and Other Assets	(234,595)	(2,300)
(Decrease)/Increase in Accounts Payable and Liabilities	(2,471)	3,413
Taxation paid	(9,347)	(9,194)
Increase in Distribution Liability	19,554	8,252
Decrease in Pension and Other Post-retirement Liabilities	(4,987)	(559)
<b>Net Cash Flow From Operating Activities</b>	<u>306,539</u>	<u>463,114</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(14,276)	(12,802)
Proceeds from Disposal of Property, Plant and Equipment	98	280
Purchase of Intangible Assets	(288)	(1,833)
Purchase of Investment Securities	(9,427,524)	(6,120,023)
Proceeds from Disposal of Investments	8,941,594	4,283,854
<b>Net Cash Used In Investing Activities</b>	<u>(500,396)</u>	<u>(1,850,524)</u>
<b>FINANCING ACTIVITIES</b>		
Subscriptions from Non-group Interests	2,520,841	2,690,372
Redemptions by Non-group Interests	(2,343,565)	(2,527,805)
Financial Instruments	(512,914)	(602,354)
Distribution Payments to Non-group Interests	(164,894)	(146,726)
Interest on Reserve Assets	583	403
Guarantee Reserve Payment	(5,133)	(2,739)
<b>Net Cash Used In Financing Activities</b>	<u>(505,082)</u>	<u>(588,849)</u>
Translation Adjustment	2,925	18
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(696,014)</u>	<u>(1,976,241)</u>
Cash and Cash Equivalents at beginning of year	2,398,439	4,374,680
Cash and Cash Equivalents at end of year	<u>1,702,425</u>	<u>2,398,439</u>



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 1) Incorporation and Principal Activities

The Trinidad and Tobago Unit Trust Corporation (the Corporation) was established by the Unit Trust Corporation of Trinidad and Tobago Act (the Act), Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago, *inter alia*, to provide facilities for members of the public to invest in shares and securities approved by the Board of the Corporation.

The Corporation's principal place of business is UTC Financial Centre, 82 Independence Square, Port of Spain.

The Finance Act of 1997 permitted expansion of the Corporation's scope of business to include other financial services, such as merchant banking, trustee and card services.

The Corporation controlled eleven (11) entities during 2015 (2014:11), two of which are in the process of liquidation, namely:

- i. UTC Property Holdings Limited. On 20<sup>th</sup> July 2015, UTC Property Holdings Limited, a wholly owned subsidiary of the Corporation, entered into voluntary liquidation. The assets of the company will be transferred to the Corporation and all liabilities settled by year end 2016. The company has been inactive, for all intents and purposes, since July 2015; and
- ii. UTC Energy Investments Limited. On 2<sup>nd</sup> October 2014, UTC Energy Investments Limited, a wholly owned subsidiary of the Corporation, filed a Certificate of Dissolution with the Secretary of State of Delaware, United States of America. Notwithstanding the filing in 2014, reversal of the dissolution was under active consideration during the first quarter of 2015. Subsequently, on the sale of its only asset during March 2015, a final decision was taken to allow the dissolution to proceed. The company has been inactive, for all intents and purposes, since March 2015.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies

The principal accounting policies adopted in the preparation of these Consolidated Financial Statements (the Financial Statements) are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### a) Basis of Preparation

- i. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Act. The accounting policies in all material respects conform to IFRS.
- ii. The historical cost convention was used in the preparation of these Financial Statements except with respect to financial assets, the majority of which are carried and reported at their fair values at the reporting date. Though adjustments may be made for depreciation or impairment, the historical cost convention requires that assets acquired are carried at the value of the consideration originally given in exchange for the assets acquired. Fair value on the other hand adjusts the carrying value of assets and liabilities to reflect the price that would be received to sell the asset, or paid to transfer the liability, in an orderly transaction between market participants at the reporting date.
- iii. These Financial Statements are presented in Trinidad and Tobago dollars (TTD), which is the functional currency of the Corporation. All financial information presented in TTD has been rounded to the nearest thousand except where otherwise indicated.
- iv. The preparation of the Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions. Management reviews these judgments, estimates and underlying assumptions on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management has exercised significant judgment in determining:
  - (a) impairment charges in respect of fixed assets, intangible assets and investment securities;
  - (b) the quantum of the liability under the price guarantee offered to unit holders of the Growth and Income Fund at the reporting date (see Note 11);
  - (c) the fair value of financial assets categorized as Level 3 (see Note 2e); and
  - (d) whether or not for purposes of IFRS 10, it controls those entities of which it is the investment manager, trustee and sponsor (see Note 2c).

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### b) Changes in Accounting Policies

##### *i. New accounting standards, amendments to accounting standards and interpretations adopted by the Group*

On 1 January 2015 the Group adopted the following improvements and amendments to IFRSs, which are relevant to its operations:

- *Amendments to IAS 27 – Equity Method in Separate Financial Statements (effective 1 January 2016).*

The amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Early adoption had no impact on these Consolidated Financial Statements.

- *Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between Investor and its Associate or Joint Venture (effective 1 January 2016).*

The amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture. Entities will now be required to fully recognize in the investor's financial statements the gain or loss arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations) and to partially recognize gains and losses where the asset does not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interest in that associate or joint venture. The Group has no associates and was not a party to any joint venture at the reporting date. Early adoption had no impact on these Consolidated Financial Statements.

- *Amendment to IFRS 11 – Accounting for Acquisitions of interests in Joint Operations (effective 1 January 2016).*

The amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined by IFRS 3 Business Combinations) to apply all business combination accounting principles and disclosures. The amendment applies to both the initial acquisition and to the acquisition of any additional interest in a joint operation. The Group was not a party to any joint operation at the reporting date. Early adoption of the amendment had no impact on these Consolidated Financial Statements.

##### *ii. Standards and Interpretations in issue, not yet effective and not early adopted*

There are new IFRSs and amendments to IFRSs that the Group did not early adopt in 2015. These new standards and amendments were not applied in the preparation of these Financial Statements. The standards and amendments are:

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### b) Changes in Accounting Policies (continued)

- ***IFRS 9 - Financial Instruments***

IFRS 9, was issued in July 2014 and is mandatory for annual periods beginning on or after 1 January 2018 with early adoption permitted. IFRS 9 replaces IAS 39 Financial Instruments – Recognition and Measurement. Adoption of IFRS 9 will primarily impact the classification and measurement of the Group's financial assets.

- ***IFRS 14 – Regulatory Deferral Accounts***

IFRS 14 was issued during January 2014 and specifies the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. IFRS 14 is mandatory for annual Financial Statements beginning on or after 1 January 2017. Adoption of IFRS 14 will not impact the Group's financial statements

- ***IFRS 15 Revenue from Contracts with Customers***

IFRS 15 was issued on 28 May 2014 and supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. The standard establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 is mandatory for annual Financial Statements beginning on or after 1 January 2017. Adoption of IFRS 5 will not impact the Group's Financial Statements.

#### c) Basis of Consolidation

The Consolidated Financial Statements incorporate the unconsolidated Financial Statements of the Corporation, the Financial Statements of The Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund, and the US\$ Income Fund (the locally domiciled Funds hereafter) and the Financial Statements of its incorporated subsidiaries (see Note 27). The Corporation and the consolidated entities are referred to as the Group hereafter.

Management concluded that for purpose of IFRS 10, its relationship with the locally domiciled Funds was that of a principal rather than that of an agent hence their consolidation in these financial statements. Management's conclusion was based primarily on its exposure to significant variability of returns as a result of its commitment to support the locally domiciled Funds.

The Corporation reassesses at each reporting period whether or not it controls the entities with which it is involved using the control criteria established in IFRS 10.



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### c) Basis of Consolidation (continued)

It concludes that it controls an entity if, and only if, after considering all the circumstances, it forms the view *inter alia* that:

- i. it has power over the entity;
- ii. it is exposed, or has rights, to variable returns from its involvement with the entity; and
- iii. it has the ability to use its power to affect its returns from the entity.

Consolidation of an entity begins when the Corporation obtains control over the entity and ceases when the Corporation loses control of the entity. The income and expenses of an entity acquired during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Corporation gains control until the date the Corporation ceases to control the entity.

The line item 'Net Assets Attributable to Non-group Interests' represents the portion of the profit and net assets not owned, directly or indirectly, by either the Corporation or another entity which the Corporation controls. IAS 32: AG 29 requires that such non-group interests be recognized as a liability in the Consolidated Financial Statements as the units/shares represent obligations to deliver cash on presentation of such units/shares for redemption.

All material intra-group transactions and accounts have been eliminated in full in preparing these Financial Statements.

The financial year end of each entity consolidated is 31 December. The accounting policies of each entity consolidated is consistent with those of the Corporation.

#### d) Investment Securities

The Group recognizes financial assets and liabilities when it becomes party to the contractual obligations of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires or where the Group has transferred substantially all the risks and rewards of ownership of the asset to another party. Group financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or has expired.

The Group classifies its financial assets on initial recognition into the following categories: available-for-sale, held-to-maturity and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### d) Investment Securities (continued)

Investment securities intended to be held for an indefinite period of time, but which may be sold in response to liquidity requirements or market conditions, are classified as available-for-sale. Available-for-sale investments are carried at fair value.

Un-realized gains and losses from changes in the fair value of investments classified as available-for-sale are recognized in Other Comprehensive Income. When available-for-sale financial assets are disposed of, or are impaired, the related fair value adjustments are re-classified to the Consolidated Statement of Profit or Loss.

Investment Securities with fixed maturities and that management has the intent and ability to hold to maturity, are classified as held-to-maturity. Held-to-maturity investments are carried at amortized cost, less adjustments for impairment. During 2015, substantially all of the Group's held-to-maturity financial assets were re-classified as available-for-sale.

Non-derivative investment securities with fixed and determinable payments, which are not quoted in an active market and are not designated as available-for-sale, are classified as loans and receivables. Loans and receivables are carried at amortized cost, using the effective interest method. The effective interest method uses the effective interest rate to recognize interest income over the life of a financial asset. The effective interest rate is the rate that exactly discounts all the estimated future cash receipts of a financial asset to the net carrying amount on initial recognition. Impairment adjustments are made to the amortized cost of loans and receivables where necessary.

Purchases and sales of equity investments are recognized at the trade date. Purchases and sales of all other investment securities are recognized on the settlement date.

#### e) Fair Value Estimation - Investment Securities

##### *Financial assets traded in active markets*

The fair value of financial assets traded in active markets is based on quoted prices at the close of trading on the reporting date. An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Where the last day of trading is not the reporting date and significant movements in prices occur subsequent to the close of trading and before the reporting date, valuation techniques are used to determine the fair value.

The Group had no traded financial liabilities at the reporting date.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### e) Fair Value Estimation – Investment Securities (continued)

##### *Financial assets and liabilities not traded in an active market*

During 2015, an independent firm, with experience in rating and valuing financial assets, was engaged to value substantially all of the illiquid financial assets in the locally domiciled funds.

However, the fair value of the Corporation's equity and debt, most of which, have very restricted markets were valued internally by Management.

The valuation techniques used by both the independent firm (see Note 4 for a summary of the firm's valuation method) and the Corporation are market based and broadly consistent.

##### *Corporation valuation method*

The Corporation's valuation of its illiquid assets was done using valuation techniques and models commonly used by market participants and incorporate assumptions that are based on market conditions existing at the reporting date.

The Corporation's valuations were undertaken primarily in respect of the Corporation's equity and debt instruments with severely restricted markets. Many of the inputs used are not market observable.

The output of any valuation model is always an estimate of a value that cannot be determined with certainty. Accordingly, the valuation models may not fully reflect all factors relevant to the positions held by the Group. The valuations generated by the models used to value the Corporation's illiquid assets were therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

##### *Receivables, payables and short-term liabilities*

The carrying value less impairment provisions of receivables and payables are assumed to approximate their fair values. The carrying value of short-term financial liabilities are assumed to approximate their fair value also.

##### *Fair value hierarchy*

Fair value measurements of securities are categorized into three levels based on the degree to which the fair value measurement inputs are observable. The three levels are:

- **Level 1.** Level 1 valuation inputs are unadjusted quoted prices for identical assets and liabilities in active markets that the entity can access at the measurement date.
- **Level 2.** Level 2 valuation inputs exclude Level 1 inputs but are inputs that are observable for the asset or liability either directly or indirectly.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### e) Fair Value Estimation – Investment Securities (continued)

- *Level 3.* Level 3 inputs are unobservable inputs for the asset or liability.

The level within the fair value hierarchy to which fair value measurements are assigned is determined by the lowest level input that is significant to the fair value measurement in its entirety. Thus, where a fair value measurement requires significant judgment with respect to an input, it is classified as Level 3.

The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

#### f) Impairment of Financial Assets

*Assets carried at amortized cost*

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets carried at amortized cost, is impaired. A financial asset or group of financial assets is considered impaired and impairment losses are recognized if and only if:-

- there is objective evidence of impairment as a result of one or more events that occurred subsequent to initial recognition of the asset (a 'loss event'); and
- the impact on the future cash flows as a result of the loss event can be reliably estimated.

The criteria used by the Group to determine whether there has been a loss event include evidence that:-

- the issuer, or obligor, is in significant financial difficulty;
- there has been a breach of contract, such as a default or delinquency in interest payments or principal re-payment by the issuer or obligor;
- the issuer's lender, for economic or legal reasons relating to the issuer's financial difficulty, has granted to the issuer a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial re-organization;
- an active market for the financial asset has disappeared because of financial difficulties; or



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### f) Impairment of Financial Assets (continued)

- (f) there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the portfolio, including:-
- i. adverse changes in the payment status of borrowers in the portfolio;  
and
  - ii. national or local economic conditions that correlate with defaults on the assets in the portfolio.

Where there is objective evidence of impairment to financial assets carried at amortized cost, the Group measures the amount of the loss as the difference between:

- a) the asset's carrying amount; and
- b) the present value of the estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate.

The asset's carrying amount is reduced by the amount of the loss which is recognized in the Consolidated Statement of Profit or Loss. If a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of an appropriate portion of the previously recognized impairment loss is recognized in the Consolidated Statement of Profit or Loss.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### f) Impairment of Financial Assets (continued)

##### *Assets classified as available-for-sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets classified as available-for-sale, is impaired. For debt securities, the Group uses the criteria used for financial assets carried at amortized cost (see foregoing paragraphs).

In the case of equity investments classified as available-for-sale, in addition to the criteria for amortizing assets mentioned above, the Group assesses whether there has been either a significant or a prolonged decline in the fair value of the security below cost. If there has been either a significant or a prolonged decline, it is regarded as evidence that the asset is impaired. If any such evidence exists for available-for-sale equity investments, the cumulative unrealized loss is re-classified from equity and recognized in the Consolidated Statement of Profit or Loss as an impairment expense.

The Group considers a decline for a period of twelve or more months as prolonged and a 30% decline below cost, as significant.

#### g) Repurchase and Reverse Repurchase Agreements

A repurchase agreement is the sale of securities for cash with a simultaneous agreement to repurchase the securities at a fixed price on a contracted date. An interest rate is negotiated for the term of the agreement.

A reverse repurchase agreement is the opposite of a repurchase agreement. A reverse repurchase agreement is the purchase of securities for cash with a simultaneous agreement to re-sell them at a fixed price on a contracted date and at an agreed rate of interest.

A repurchase agreement may be construed as a borrowing. In the normal course of business the Corporation does not enter into repurchase agreements. As part of its short-term investment activity, it does enter into reverse repurchase agreements. Deterioration in the value of the securities bought under reverse repurchase agreements is materially covered through margin calls comprising cash and/or additional securities.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### h) Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs for repairs and maintenance are charged to the Consolidated Statement of Profit or Loss during the financial period in which such costs are incurred.

Where the carrying amount of Property, Plant and Equipment is greater than its estimated recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount.

Gains and losses on disposal of Property, Plant and Equipment are determined by comparing the disposal proceeds with the carrying amounts. The resulting gains or losses are recognized in the Consolidated Statement of Profit or Loss.

Freehold land is not depreciated. Leasehold land is capitalized and amortized over the term of the lease.

Depreciation on Property, Plant and Equipment, with the exception of motor vehicles, is calculated using the straight-line method to allocate their cost over their estimated useful lives. The estimated useful life of the various categories of the Group's Property, Plant and Equipment are as follows:

Property, Plant and Equipment Category	Estimated Useful Life
Building	50 years
Office Improvement	3-15 years
Computer Equipment	2-8 years
Office Equipment	3-13 years
Office Furniture & Fixtures	3-10 years

Motor vehicles are depreciated using a rate of 25% per annum on the reducing balance.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### i) Intangible Assets

Acquired computer software and licenses are the only intangible assets recognized by the Group in these Financial Statements. Computer software and licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognized as intangible assets if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

The cost of intangible assets is amortized on a straight line basis over the estimated useful life of the asset (between three (3) to five (5) years).

Costs associated with maintaining computer software are expensed as incurred.

#### j) Impairment of Non-Financial Assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit or Loss.

Non-financial assets are reviewed for impairment at least annually.

#### k) Foreign Currency Translation

The Group's functional and presentation currency is Trinidad and Tobago dollars. Foreign currency transactions are translated into the functional currency using the average mid-rate for the currency, quoted by the Central Bank of Trinidad and Tobago, on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the Consolidated Statement of Profit or Loss.

The results and financial position of all Group entities that have a functional currency other than the presentation currency are translated into the presentation currency using the closing rate. All resulting exchange differences are recognized in the Consolidated Statement of Comprehensive Income.



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### 1) Employee Benefits

##### *i. Short-term benefits*

Short-term employee benefits such as salaries are recognized in the accounting period during which services are rendered by employees.

##### *ii. Pension obligations*

Group contributions to retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefits comprise a small portion of the Group's pension plan benefits (see Note 10). The Group's defined benefit obligations are calculated by estimating the value of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of the plan assets are deducted. The discount rate approximates either high quality corporate bonds or the long-term bond rate for government bonds with a duration similar to the defined benefit obligations.

The defined benefit obligation calculations are performed regularly by an actuary using the projected unit credit method. Should the calculation result in a surplus, the surplus is not recognized as an asset since the Group is not entitled to reduce its contributions to the plan.

##### *iii. Other post-retirement obligations*

The Group provides post-retirement medical and insurance benefits to its retirees. Entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that used to compute the defined benefit pension obligations. An independent qualified actuary conducts a valuation of these obligations regularly.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### m) Cash and Cash Equivalents

Cash and cash equivalents represent balances held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. It includes cash in hand, deposits held at call with banks, cash balances at brokers, other short-term instruments with original maturities of ninety days or less.

#### n) Provisions

Provisions are recognized when the Group has:

- i. a present or constructive obligation as a result of past events;
- ii. it is probable that an outflow of resources will be required to settle the obligation; and
- iii. the amount of the obligation has been reliably estimated.

#### o) Revenue Recognition

Income comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Income is shown net of value-added tax, discounts and after eliminating services provided by Group entities.

Interest income is recognized in the Consolidated Statement of Profit or Loss using the effective interest method. Dividend income is recognized when the right to receive payment is established. Realized investment gains and losses are also recognized as revenue in the Consolidated Statement of Profit or Loss.

#### p) Borrowings

Borrowings are recognized initially at fair value, and are subsequently stated at amortized cost. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized. A qualifying asset is an asset which takes a substantial amount of time to be ready for use or sale. The Corporation does not borrow to finance the acquisition, construction or production of qualifying assets.

#### q) Segment Reporting

A segment is a distinguishable component of the Group that is engaged in providing similar products or services which are subject to risk and rewards that are different from those of other segments. The Group consists of one segment as all the Group's activities are incidental to its main activity of collective investment scheme management.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 2) Significant Accounting Policies (continued)

#### r) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed by the Group in accordance with specific Investment Management Agreements, are not included in the Consolidated Statement of Financial Position of the Corporation. The market value of these portfolios as at 31 December, 2015 is \$582 million (2014: \$565 million).

#### s) Taxation

The Corporation is exempt from Corporation Tax, however, it is subject to the Green Fund Levy. Corporation Tax is payable on profits realized by the subsidiaries, based on the applicable laws in each jurisdiction, and is recognized as an expense in the period in which profits arise.

The tax effects of income tax losses available for carry forward, are recognized as an asset when it is probable that future taxable profits will be available against which the losses can be utilized.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements.

Deferred tax is determined using tax rates that have been enacted at the date of the Consolidated Statement of Financial Position and are expected to apply when the related deferred tax asset is realized or the deferred corporation tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profits will be available against which the temporary differences can be utilized.

#### t) Comparative Information

Certain changes in presentation have been made in these Financial Statements. These changes had no effect on the operating results or net income after tax of the Group for the previous year.

The Group has however re-stated its 2013 Statement of Financial Position and its Financial Statements for 2014 to correct mis-statements quantified during the third quarter of 2015 (see Note 4 – Mis-statement of Investment Securities).

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 3) Cash and Cash Equivalents

Cash and cash equivalents are analyzed below:

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Corporation	389,485	388,021	625,947
Locally Domiciled Funds	1,296,758	1,996,603	3,737,875
Foreign Funds	1,034	20	25
Other Group Entities	15,148	13,795	10,833
	<b>1,702,425</b>	<b>2,398,439</b>	<b>4,374,680</b>

Cash and cash equivalents held by the locally domiciled Funds and foreign Funds form part of the capital of the said Funds. In compliance with legislation, regulatory restrictions and best practice, all the assets of the said Funds, including cash and cash equivalents, are ring-fenced and are not available for use by the Group.

### 4) Investment Securities

The Group re-classified a substantial portion of its held-to-maturity bonds and private equity interests to available-for-sale during the course of 2015 and retained the services of a local firm of independent professionals to value the illiquid bonds within the portfolios of the locally domiciled funds. The re-classification of the bonds provides users with better information to evaluate the financial position and performance of the portfolios. The net increase/(decrease) in Other Comprehensive Income at 31 December 2015 as a result of the re-classification is provided in the Table below.

Fund	TTS'000
Growth and Income Fund	28,931
TT\$ Income Fund	57,242
Universal Retirement Fund	1,152
US\$ Income Fund	(46,156)
<b>TOTAL</b>	<b>41,169</b>

Management discovered during 2015 that certain transactions related to private equity investments held by the Growth and Income Fund and the Universal Retirement Fund were accounted for incorrectly. In accordance with International Accounting Standards 8 – Accounting Policies, Changes in Accounting Estimates and Errors – these mis-statements have been corrected retrospectively in the restated Notes and Statement of Financial Position for 2013 (\$48.4 million loss) and 2014 (\$5.9 million gain). In addition, the Analysis of the Group's investments now includes an additional line item - Private Equity Investments.

The enhanced and corrected analysis of the Group's investment securities for the years 2013, 2014 and 2015, is provided below.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investments Securities (continued)

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
<b>Held-to-maturity investments carried at cost or amortized cost:</b>			
Bonds classified as held-to-maturity on recognition	5,349,012	5,378,832	5,974,863
Bonds now disclosed under Private Equity available-for-sale	-	(29,820)	(28,894)
Carrying value of bonds re-classified to available-for-sale during 2015	(5,349,012)	-	-
<b><i>Held-to-maturity Bonds at 31 December</i></b>	<b>-</b>	<b>5,349,012</b>	<b>5,945,969</b>
Equity (unquoted equity on initial recognition)	649	19,785	20,046
Transfers to Private Equity	-	(19,139)	(19,401)
<b><i>Unquoted Equity at 31 December</i></b>	<b>649</b>	<b>646</b>	<b>645</b>
Short-term Investments	3,975,193	4,261,975	2,254,430
Short-term Investments transferred to available-for-sale	(3,975,193)	-	-
<b><i>Held-to-maturity Short-term Investments at 31 December</i></b>	<b>-</b>	<b>4,261,975</b>	<b>2,254,430</b>
<b>Held-to-maturity investments carried at cost or amortized cost</b>	<b>649</b>	<b>9,611,633</b>	<b>8,201,044</b>
<b>Available-for-sale assets carried at fair value:</b>			
Bonds classified as available for sale on initial recognition	5,959,987	5,383,630	5,194,765
Carrying value of bonds re-classified from held to maturity during 2015	5,349,012	-	-
<b><i>Available-for-sale Bonds at 31 December</i></b>	<b>11,308,999</b>	<b>5,383,630</b>	<b>5,194,765</b>
Equity	3,533,844	3,621,348	3,403,924
Transfers to Private Equity	-	(80,431)	(88,566)
<b><i>Available-for-sale Equity at 31 December</i></b>	<b>3,533,844</b>	<b>3,540,917</b>	<b>3,315,358</b>
Private Equity	104,729	129,390	136,862
Short-term Investments	3,975,193	13,067	120,045
Mutual Funds	5,088	90	78
<b><i>Available-for-sale Private Equity, Mutual Funds and Short-term Investments</i></b>	<b>4,085,010</b>	<b>142,547</b>	<b>256,985</b>
<b>Available-for-sale assets carried at fair value:</b>	<b>18,927,853</b>	<b>9,067,094</b>	<b>8,767,108</b>
<b>Total Investment Securities</b>	<b>18,928,502</b>	<b>18,678,727</b>	<b>16,968,152</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### (4) Investments Securities (continued)

#### a) The fair value of Level 3 Investment Securities carried at Amortized Cost.

The fair value of Level 3 investment securities carried at cost or amortized cost is provided below.

	2015		2014 Restated		2013 Restated	
	Carrying Value \$'M	Fair Value \$'M	Carrying Value \$'M	Fair Value \$'M	Carrying Value \$M	Fair Value \$M
Bonds	-	-	4,902.1	5,521.8	5,713.7	6,301.7
Equity	649	649	0.6	0.6	0.6	0.6
	<b>649</b>	<b>649</b>	<b>4,902.7</b>	<b>5,522.4</b>	<b>5,714.3</b>	<b>6,302.3</b>

#### b) The Fair Value Hierarchy for Investment Securities

The Group's investment securities are analyzed by the fair valuation hierarchy below:

Fair Value Hierarchy for Investment Securities December 2015				
Recurring fair value measurements	Level 1 (Quoted prices in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
	<b>Held-to-maturity investments carried at cost or amortized cost:</b>			
Bonds	-	-	-	-
Equity	-	-	649	649
Short-term Investments	-	-	-	-
	-	-	<b>649</b>	<b>649</b>
<b>Available-for-sale assets carried at fair value:</b>				
Bonds	43,662	-	11,265,337	11,308,999
Equity	3,524,736	-	9,108	3,533,844
Private Equity	-	-	104,729	104,729
Short-term Investments	3,975,193	-	-	3,975,193
Mutual Funds	5,088	-	-	5,088
	<b>7,548,679</b>	<b>-</b>	<b>11,379,174</b>	<b>18,927,853</b>
<b>Total Investment Securities</b>	<b>7,548,679</b>	<b>-</b>	<b>11,379,823</b>	<b>18,928,502</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### b) The Fair Value Hierarchy for Investment Securities (continued)

##### Fair Value Hierarchy for Investment Securities December 2014 – Restated

Recurring fair value measurements	Level 1 (Quoted prices in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
<b>Held-to-maturity investments carried at amortized cost:</b>				
Bonds	443,847	3,099	4,902,066	5,349,012
Equity	-	-	646	646
Short-term Investments	4,261,975	-	-	4,261,975
	<b>4,705,822</b>	<b>3,099</b>	<b>4,902,712</b>	<b>9,611,633</b>
<b>Available-for-sale assets carried at fair value:</b>				
Bonds	37,512	3,295,650	2,050,468	5,383,630
Equity	3,062,021	3,329	475,567	3,540,917
Private Equity	-	-	129,390	129,390
Short-term Investments	13,067	-	-	13,067
Mutual Fund Units	90	-	-	90
	<b>3,112,690</b>	<b>3,298,979</b>	<b>2,655,425</b>	<b>9,067,094</b>
<b>Total Investment Securities</b>	<b>7,818,512</b>	<b>3,302,078</b>	<b>7,558,137</b>	<b>18,678,727</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### b) The Fair Value Hierarchy for Investment Securities (continued)

##### Fair Value Hierarchy for Investment Securities December 2013 – Restated

Recurring fair value measurements	Level 1 (Quoted prices in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
<b>Held-to-maturity investments carried at amortized cost:</b>				
Bonds	222,999	9,298	5,713,672	5,945,969
Equity	-	-	645	645
Short-term Investments	2,254,430	-	-	2,254,430
	<b>2,477,429</b>	<b>9,298</b>	<b>5,714,317</b>	<b>8,201,044</b>
<b>Available-for-sale assets carried at fair value:</b>				
Bonds	45,000	3,181,346	1,968,419	5,194,765
Equity	3,295,987	19,051	320	3,315,358
Private Equity	-	-	136,862	136,862
Short-term Investments	120,045	-	-	120,045
Mutual Fund Units	78	-	-	78
	<b>3,461,110</b>	<b>3,200,397</b>	<b>2,105,601</b>	<b>8,767,108</b>
<b>Total Investment Securities</b>	<b>5,938,539</b>	<b>3,209,695</b>	<b>7,819,918</b>	<b>16,968,152</b>



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### c) Transfers between Fair Value Hierarchy Levels.

There were no transfers between the Fair Value Hierarchy Levels during 2014.

After reviewing the 2015 valuations, management concluded that the observable inputs used in the 2015 valuations were insufficient to warrant a Level 2 classification in 2015 and therefore re-classified the affected securities to Level 3 (see the Fair Value Hierarchy for 2014 and 2015 Table above).

#### d) Investment Securities included in Level 1

Investments whose values are based on quoted securities in an active market are classified as Level 1 and include: Equities and Exchange Traded Funds (ETFs) listed in active markets. The Group does not adjust the quoted price on these instruments in arriving at their fair value.

#### e) Level 2 Fair Values

Financial instruments that are valued on the average of quotes provided by dealers or alternative pricing sources supported by observable inputs, are classified as Level 2. Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions. Valuations of such instruments may be adjusted to reflect their illiquidity and/or non-transferability. Such adjustments are based on available market information. There were no instruments classified as Level 2 investments at 31 December 2015 (see Note 4c).

#### f) Valuation Techniques used to derive Level 3 Fair Values

Investments classified as Level 3 have significant unobservable inputs. Estimating the value of financial instruments in this Level requires considerable judgment particularly as the market for the instruments are often illiquid and trading is infrequent. The proceeds realized on disposal of the instruments may therefore vary significantly from the valuations reported.

The valuation techniques used by the Group to arrive at the fair value of Level 3 investments are summarized below.

##### *Held-to-maturity Bonds:*

During 2015 the Group re-classified substantially all of its held-to-maturity bonds to available-for-sale and engaged a firm of independent valuers to value its bonds. The procedures adopted by the independent firm included:

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### (f) Valuation Techniques used to derive Level 3 Fair Values (continued)

##### *Held-to-maturity Bonds (continued)*

- i. estimating the Net Cash Flows for the instruments based on its knowledge of the market and assessment of the credit rating of the issuer;
- ii. using its proprietary yield curve, developed based on market reads, to assist in determining appropriate discount rates for the instruments; and
- iii. adjusting the discount rate extrapolated from their proprietary yield curve to reflect the credit, the liquidity and other risks attaching to the instrument.

In valuing the held-to maturity bonds in 2014 and 2013, the Group adopted broadly similar procedures but used its internally constructed yield curves to forecast future interest rates for TT\$ and US\$ bonds issued in Trinidad and Tobago. The Group's 2013 and 2014 yield curves were based on its 'market reads' (i.e. information gathered from market participants on the interest rates required for bonds issued in Trinidad and Tobago). The yield curves were largely comparable with the publicly available international yield curves for TT\$ and US\$ bonds issued in Trinidad and Tobago.

Markets are dynamic and management, in a manner similar to the independent valuers, reviewed and adjusted the yields extrapolated from its yield curves to ensure that it is reflected market participants' view of the credit, liquidity, business and other risks of the bonds at the reporting date.

##### *Unquoted Equities:*

Unquoted equity is carried at cost. Management estimates that the carrying value of the Group's unquoted equity approximates its fair value at the reporting date. Impairment reviews of the equity classified as held-to-maturity are undertaken regularly. No impairment charges were recognized for these securities in 2015 (2014: Nil).

##### *Short-term Investments:*

Management estimates that the value of its short-term investments approximates its carrying value.

##### *Available-for-sale Bonds:*

Traded available-for-sale bonds are valued based on the average of indicative quotations received from brokers for the bond at the reporting date. The quotations do not necessarily reflect the price at which the broker would be willing to execute a transaction and the valuations have been assigned to Level 3.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### (f) Valuation Techniques used to derive Level 3 Fair Values (continued)

##### *Available-for-sale Equity:*

Available-for-sale equity instruments are valued based on the trading prices for the security at the reporting date.

##### *Valuation Techniques Summary*

The Table below summarizes the valuation techniques used in estimating the fair value of Level 3 securities, the significant unobservable inputs, the relationship of the unobservable inputs to fair value and the impact that an increase or decrease in the unobservable inputs would have had on the valuation results.

The following Tables present the movement in Level 3 instruments for the year 2015.

As at 31 December 2015					
	Level 3 fair value 2015	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
	\$'M				\$'M
<b>Held-to-maturity investments carried at amortized cost:</b>					
Bonds	-	Not applicable	Not applicable	Not applicable	Not applicable
Equity	<u>1</u>	Not applicable	Not applicable	Not applicable	Not applicable
Sub-total	<u>1</u>				
<b>Available-for-sale investments carried at fair value</b>					
Bonds	11,265	Independent Valuator, Trading prices	Not applicable	Not applicable	Not applicable
Equity	9	Trading prices at reporting date	Not applicable	Not applicable	Not applicable
Private Equity	<u>105</u>				
Sub-total	<u>11,379</u>				
<b>TOTAL</b>	<b><u>11,380</u></b>				

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### f) Valuation Techniques used to derive Level 3 fair values (continued)

##### Valuation Techniques Summary (continued)

	Carrying Value Level 3 Securities 1/1/2015 S'M	Purchases/ Capitalized Interest S'M	Re-class S'M	Sales/ Repayments / Maturities S'M	Net Gains/ Losses recognized in Profit or Loss S'M	Un- realized Gains/ Losses recognized in OCI S'M	Carrying Values Level 3 Securities 31/12/2015 S'M	Fair Values S'M
<b>Held-to-maturity assets carried at cost or amortized cost:</b>								
Bonds	5,521.8	-	(5,521.8)	-	-	-	-	-
Equity	0.6	-	-	-	0.1	-	0.7	0.7
	<u>5,522.4</u>	<u>-</u>	<u>(5,521.8)</u>	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>0.7</u>	<u>0.7</u>
<b>Available-for-sale assets carried at fair value</b>								
Bonds	2,050.5	7,085.8	5,521.8	(3,478.3)	-	85.5	11,265.3	11,265.3
Equity	475.6	-	-	(466.6)	-	-	9.0	9.0
Private Equity	129.4	-	-	-	(12.0)	(12.7)	104.7	104.7
	<u>2,655.5</u>	<u>7,085.8</u>	<u>5,521.8</u>	<u>(3,944.9)</u>	<u>(12.0)</u>	<u>72.8</u>	<u>11,379.0</u>	<u>11,379.0</u>
<b>TOTAL</b>	<u>8,177.9</u>	<u>7,085.8</u>	<u>-</u>	<u>(3,944.9)</u>	<u>(11.9)</u>	<u>72.8</u>	<u>11,379.7</u>	<u>11,379.7</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### f) Valuation Techniques used to derive Level 3 fair values (continued)

##### Valuation Techniques Summary (continued)

The following Tables present the movement in Level 3 instruments for the year 2014

As at 31 December 2014 - Restated

	Re-stated Level 3 fair value 2014	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
<b>Held-to-maturity investments carried at amortized cost:</b>	<b>\$'M</b>				<b>\$'M</b>
Bonds	5,521.8	Yield Curve/Net Present Value	Bond yields and risk premia	+1% -1%	-380.8 44.6
Equity	0.6	Not applicable	Not applicable	Not applicable	Not applicable
<b>Sub-total</b>	<b>5,522.4</b>				
<b>Available-for-sale investments carried at fair value</b>					
Bonds	2,050.5	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Equity	475.6	Trading prices at reporting date	Not applicable	Not applicable	Not applicable
Private Equity	129.4	General Partner's estimate	Valuation by General Partner	Not applicable	Not applicable
<b>Sub-total</b>	<b>2,655.5</b>				
<b>TOTAL</b>	<b>8,177.9</b>				

	Restated Carrying Value Level 3 Securities 1/1/2014 \$'M	Purchases/ Capital'd Interest \$'M	Sales/ Repay't/ Maturities \$'M	Re-class from Level 2 \$'M	Re-stated Net Gains/ Losses recogn'd in Profit or Loss \$'M	Un- realized Gains/ Losses recognized in OCI \$'M	Re-stated Carrying Values Level 3 Securities 31/12/2014 \$'M	Re-stated Fair Values \$'M
<b>Held-to-maturity assets carried at amortized cost:</b>								
Bonds	5,713.7	205.7	(930.1)	-	(87.2)	-	4,902.1	5,521.8
Equity	0.6	-	-	-	-	-	0.6	0.6
	<b>5,714.3</b>	<b>205.7</b>	<b>(930.1)</b>	<b>-</b>	<b>(87.2)</b>	<b>-</b>	<b>4,902.7</b>	<b>5,522.4</b>
<b>Available-for-sale assets carried at fair value</b>								
Bonds	1,968.4	73.9	-	-	-	8.2	2,050.5	2,050.5
Equity	0.3	377.0	-	73.0	-	25.3	475.6	475.6
Private Equity	136.9	-	(7.5)	-	-	-	129.4	129.4
	<b>2,105.6</b>	<b>450.9</b>	<b>(7.5)</b>	<b>73.0</b>	<b>-</b>	<b>33.5</b>	<b>2,655.5</b>	<b>2,655.5</b>
<b>TOTAL</b>	<b>7,819.9</b>	<b>656.6</b>	<b>(937.6)</b>	<b>73.0</b>	<b>(87.2)</b>	<b>33.5</b>	<b>7,558.2</b>	<b>8,177.9</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 4) Investment Securities (continued)

#### f) Valuation Techniques used to derive Level 3 fair values (continued)

##### Valuation Techniques Summary (continued)

The following Tables present the movement in Level 3 instruments for the year 2013.

As at 31 December 2013 - Restated

	Re-stated Level 3 fair value 2013 \$'M	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/- \$'M
<b>Held-to-maturity investments carried at amortized cost:</b>					
Bonds	6,301.7	Yield Curve/Net Present Value	Bond yields and risk premium	+1% -1%	-170.1 185.6
Equity	0.6	Not applicable	Not applicable	Not applicable	Not applicable
<b>Sub-total</b>	<b>6,302.3</b>				
<b>Available-for-sale investments carried at fair value</b>					
Bonds	1,968.4	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Equity	0.3	Trading prices at reporting date	Not applicable	Not applicable	Not applicable
Private Equity	136.9	General Partner's estimate	Valuation by General Partner	Not applicable Not applicable	Not applicable Not applicable
<b>Sub-total</b>	<b>2,105.6</b>				
<b>TOTAL</b>	<b>8,407.9</b>				

	Carrying Value Level 3 Securities 1/1/2013 \$'M	Purchases/ Capital'd Interest \$'M	Re-class \$'M	Sales/ Repayments/ Maturities \$'M	Re-stated Net Gains/ Losses recognized in Profit or Loss \$'M	Un-realized Gains/ Losses recognized in OCI \$'M	Re-stated Carrying Values Level 3 Securities 31/12/2013 \$'M	Re-stated Fair Values \$'M
<b>Held-to-maturity assets carried at amortized cost:</b>								
Bonds	5,607.3	2,204.6	(19.4)	(2,106.2)	27.4	-	5,713.7	6,301.7
Equity	28.8	-	(28.2)	-	-	-	0.6	0.6
	<b>5,636.1</b>	<b>2,204.6</b>	<b>(47.6)</b>	<b>(2,106.2)</b>	<b>27.4</b>	<b>-</b>	<b>5,714.3</b>	<b>6,302.3</b>
<b>Available-for-sale assets carried at fair value</b>								
Bonds	3,266.4	157.7	(785.9)	(646.8)	-	(23.0)	1,968.4	1,968.4
Equity	334.4	67.7	(270.0)	(131.8)	-	-	0.3	0.3
Private Equity	-	-	179.6	-	(62.0)	19.3	136.9	136.9
	<b>3,600.8</b>	<b>225.4</b>	<b>(876.3)</b>	<b>(778.6)</b>	<b>(62.0)</b>	<b>(3.7)</b>	<b>2,105.6</b>	<b>2,105.6</b>
<b>TOTAL</b>	<b>9,236.9</b>	<b>2,430.0</b>	<b>(923.9)</b>	<b>(2,884.8)</b>	<b>(34.6)</b>	<b>(3.7)</b>	<b>7,819.9</b>	<b>8,407.9</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 5) Property, Plant and Equipment

	Land \$'000	Building \$'000	Office Improvement \$'000	Motor Vehicles \$'000	Office & Computer Equipment \$'000	Office Furniture \$'000	Total \$'000
<b>Year ended 31 Dec., 2015</b>							
Opening Net Book Value	16,096	104,226	15,666	1,375	21,739	4,358	163,460
Acquisitions	-	-	2,252	-	10,628	1,396	14,276
Re-classifications	-	-	-	-	(6)	6	-
Disposals	-	-	-	(97)	(59)	-	(156)
Depreciation/Amortization	(22)	(2,809)	(3,106)	(280)	(5,220)	(847)	(12,284)
Closing Net Book Value	<b>16,074</b>	<b>101,417</b>	<b>14,812</b>	<b>998</b>	<b>27,082</b>	<b>4,913</b>	<b>165,296</b>
<b>As at 31 Dec., 2015</b>							
Cost	16,569	139,427	53,078	3,456	82,643	23,853	319,026
Accumulated Depreciation/ Impairment charges	(495)	(38,010)	(38,266)	(2,458)	(55,561)	(18,940)	(153,730)
Net Book Value	<b>16,074</b>	<b>101,417</b>	<b>14,812</b>	<b>998</b>	<b>27,082</b>	<b>4,913</b>	<b>165,296</b>
<b>Year ended 31 Dec., 2014</b>							
Opening Net Book Value	16,118	107,035	18,526	1,584	15,852	5,158	164,273
Acquisitions	-	-	1,749	286	10,587	180	12,802
Disposals	-	-	-	(136)	(5)	-	(141)
Depreciation/Amortization	(22)	(2,809)	(4,609)	(359)	(4,695)	(980)	(13,474)
Closing Net Book Value	<b>16,096</b>	<b>104,226</b>	<b>15,666</b>	<b>1,375</b>	<b>21,739</b>	<b>4,358</b>	<b>163,460</b>
<b>As at 31 Dec., 2014</b>							
Cost	16,569	139,427	50,826	3,856	72,590	22,451	305,719
Accumulated Depreciation/Impairment charges	(473)	(35,201)	(35,160)	(2,481)	(50,851)	(18,093)	(142,259)
Net Book Value	<b>16,096</b>	<b>104,226</b>	<b>15,666</b>	<b>1,375</b>	<b>21,739</b>	<b>4,358</b>	<b>163,460</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 5) Property, Plant and Equipment (cont'd)

	Land \$'000	Building \$'000	Office Improvement \$'000	Motor Vehicles \$'000	Office & Computer Equipment \$'000	Office Furniture \$'000	Total \$'000
<b>Year ended 31 Dec., 2013</b>							
Opening Net Book Value	16,140	109,843	21,400	2,398	17,705	4,774	172,260
Acquisitions	-	-	2,572	250	3,079	1,414	7,315
Re-classifications	-	-	-	-	(2)	2	-
Disposals	-	-	(47)	(513)	(231)	(36)	(827)
Depreciation/Amortization	(22)	(2,808)	(5,399)	(551)	(4,699)	(996)	(14,475)
Closing Net Book Value	<b>16,118</b>	<b>107,035</b>	<b>18,526</b>	<b>1,584</b>	<b>15,852</b>	<b>5,158</b>	<b>164,273</b>
<b>As at 31 Dec., 2013</b>							
Cost	16,569	139,427	49,077	4,528	62,589	22,271	294,461
Accumulated Depreciation/Impairment charges	(451)	(32,392)	(30,551)	(2,944)	(46,737)	(17,113)	(130,188)
Net Book Value	<b>16,118</b>	<b>107,035</b>	<b>18,526</b>	<b>1,584</b>	<b>15,852</b>	<b>5,158</b>	<b>164,273</b>

#### Land

Land includes leasehold land of \$2.2 million (2014 \$2.2 million) and freehold land of \$14.4 million (2014: \$14.4 million).

#### Fair Value Land and Buildings

The fair value of land and buildings was estimated at \$194.6 million at 31 December, 2015 (2014: \$192.2 million). Land and buildings are normally valued by independent professional valuers every three years. Due to the planned disposal of the assets of UTC Property Holdings Limited as part of its voluntary liquidation process, its Property and Buildings were revalued during November 2015. Information related to the valuation of land and buildings at 31 December 2015 is provided in the table below:

Property	Cost \$'M	Independent Valuation \$'M	Date of last valuation	Fair value 31 Dec 2015 \$'M	Valuation Level
Leasehold Land	2.2	17.0	31 Dec 2013	17.0	Level 2
Freehold Land	14.4	61.9	24 Nov 2015	61.9	Level 1
Building	70.9	77.0	31 Dec 2013	77.0	Level 2
Buildings	68.5	38.7	24 Nov 2015	38.7	Level 1
<b>Total</b>	<b>156.0</b>	<b>194.6</b>		<b>194.6</b>	



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 5) Property, Plant and Equipment (cont'd)

#### Valuation Technique used to derive Level 2 fair valuation Land and Buildings

Management estimated the fair value of Level 2 land and buildings by reference to recent sale prices of comparable land and buildings in the immediate vicinity of the properties.

### 6) Intangible Assets

	2015	2014	2013
	\$'000	\$'000	\$'000
<b>Year ended 31 December</b>			
Opening Net Book Value	2,554	5,996	16,015
Acquisitions	288	1,833	617
Disposals	-	-	-
Amortization Adjustment	-	-	(6,496)
Amortization	(1,414)	(5,275)	(4,140)
<b>Closing Net Book Value</b>	<u>1,428</u>	<u>2,554</u>	<u>5,996</u>
<b>As at 31 December</b>			
Cost	52,729	52,441	50,608
Accumulated Amortization	(51,301)	(49,887)	(44,612)
<b>Net Book Value</b>	<u>1,428</u>	<u>2,554</u>	<u>5,996</u>

In 2013, the Group changed the maximum estimated useful life of its computer software licenses from ten (10) years to five (5) years which resulted in a one time amortization adjustment of \$6.5 million.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 7) Financial Instruments

	Term	2015 \$'000	2014 \$'000	2013 \$'000
Fixed-term Funding	Less than 1 year	60,276	573,190	1,174,898
Long-term Bonds	10 years	-	-	646
<b>Total</b>		<u>60,276</u>	<u>573,190</u>	<u>1,175,544</u>

Fixed-term funding represents financial liabilities in the form of Investment Note Certificates all of which were originated with maturities of less than one year. The carrying value of these liabilities is assumed to approximate their fair value.

The long-term interest bearing bonds were issued by UTC Property Holdings Limited to finance the construction of its properties.

### 8) Taxation

The local subsidiary companies are subject to Trinidad and Tobago Corporation Tax and the foreign subsidiaries are subject to taxation relevant to their country of domicile.

	2015 \$'000	2014 \$'000	2013 \$'000
Net Income before taxation	143,972	137,162	118,888
Less: Income taxed at 0%	(142,903)	(131,358)	(113,670)
Net Income subject to tax	<u>1,069</u>	<u>5,804</u>	<u>5,218</u>
Corporation Tax at 25% for local subsidiaries	2	1,450	1,305
Corporation Tax for foreign subsidiaries	1,968	638	-
Withholding Tax	6,719	6,534	8,562
Business Levy payments	155	163	87
Green Fund Levy payments	503	409	420
<b>Tax charge</b>	<u>9,347</u>	<u>9,194</u>	<u>10,374</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 9) Deferred Tax

Deferred taxes are calculated on all temporary differences using the liability method. Temporary differences arise only in the Group's subsidiaries domiciled in Trinidad and Tobago. The rate used to compute deferred tax on these differences is 25%.

Deferred tax assets and liabilities and deferred tax (credit)/charge in the profit or loss account are attributable to the following items:

	2015	2014	2013
	\$'000	\$'000	\$'000
Tax losses carried forward	(85)	(369)	(1,434)
Accelerated tax depreciation	-	7,333	6,947
<b>Net deferred (asset)/liability</b>	<b>(85)</b>	<b>6,964</b>	<b>5,513</b>

The movements in deferred tax assets and liabilities during the years presented are as follows:

	Accelerated Tax Depreciation
	\$'000
<b>Deferred Tax Liability</b>	
Balance at 1 January 2013	6,478
Charged to the Consolidated Statement of Profit or Loss 2013	469
Balance as at 31 December 2013	6,947
Charged to the Consolidated Statement of Profit or Loss 2014	386
Balance as at 31 December 2014	7,333
Charged to the Consolidated Statement of Profit or Loss 2015	-
Charge to Equity 2015	(7,333)
<b>Balance as at 31 December 2015</b>	<b>-</b>
<b>Deferred Tax Asset</b>	
Balance at 1 January 2013	(2,269)
Charged to the Consolidated Statement of Profit or Loss 2013	835
Balance as at 31 December 2013	(1,434)
Charged to the Consolidated Statement of Profit or Loss 2014	1,065
Balance as at 31 December 2014	(369)
Charged to the Consolidated Statement of Profit or Loss 2015	2
Charge to Equity 2015	282
<b>Balance as at 31 December 2015</b>	<b>(85)</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 10) Pension and Other Post Retirement Benefits

#### a) Pension benefits

Prior to 1 January, 2001 the Unit Trust Corporation Pension Fund Plan (the Plan) was a defined benefit plan. Although the Plan received formal approval during 2002 for conversion to a defined contribution plan with effect from 1 January 2001, the pre- 1 January, 2001 benefits are guaranteed. For purposes of IAS 19 the Plan remains a defined benefit plan. Retirement benefits are currently paid out of the Plan and are guaranteed for life. The defined benefits comprise a small portion of Plan benefits.

i. Changes in the present value of the defined benefit obligations are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Opening present value of defined benefit obligation	160,803	153,891	136,298
Current service costs	8,413	8,156	8,081
Plan participant contributions	3,623	3,506	3,524
Interest cost	3,891	7,875	13,137
Actuarial gains on obligation	(1,659)	(8,175)	(1,429)
Benefit and expenses paid	(3,611)	(4,449)	(5,720)
Closing present value of defined benefit obligation	<u>171,460</u>	<u>160,804</u>	<u>153,891</u>

ii. Changes in the fair value of Plan assets are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	163,202	151,768	131,652
Expected return on Plan assets	8,414	7,980	13,370
Actuarial loss on Plan assets	(7,485)	(5,419)	(924)
Employer contributions for current service	10,144	9,816	9,866
Plan participant contributions for current service	3,623	3,506	3,524
Benefits and expenses paid	(3,611)	(4,449)	(5,720)
Closing fair value of Plan assets	<u>174,287</u>	<u>163,202</u>	<u>151,768</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 10) Pension and Other Post Retirement Benefits (continued)

#### a) Pension benefits (continued)

iii. The amounts recognized in the Consolidated Statement of Financial Position are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	(171,460)	(160,804)	(153,891)
Fair value of Plan assets	<u>174,287</u>	<u>163,202</u>	<u>151,768</u>
Sub-total	2,827	2,398	(2,123)
Un-recognized asset due to limit in IAS 19:64 (b)	<u>(2,827)</u>	<u>(2,398)</u>	-
Liability recognized in the Consolidated Statement of Financial Position	<u>-</u>	<u>-</u>	<u>(2,123)</u>

iv. The amounts recognized in the Consolidated Statement of Profit or Loss are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Current service costs	8,413	8,156	8,081
Net interest costs	<u>(4,524)</u>	<u>(106)</u>	<u>(232)</u>
Total recognized in Staff Costs	<u>3,889</u>	<u>8,050</u>	<u>7,849</u>

v. The amounts recognized in the Consolidated Statement of Comprehensive Income are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Actuarial losses	5,826	(2,755)	(1,429)
IAS 19: 64 (b) limit	<u>428</u>	<u>2,398</u>	<u>924</u>
	<u>6,254</u>	<u>(357)</u>	<u>(505)</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 10) Pension and Other Post Retirement Benefits (continued)

#### a) Pension benefits (continued)

vi. The major categories of Plan assets as a percentage of total Plan assets are as follows:

	2015 %	2014 %	2013 %
Universal Retirement Fund	73.0	73.0	73.0
TT\$ Income Fund	27.0	27.0	27.0

vii. The actual return on Plan assets are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Actual return	929	2,562	12,446

viii. The actuarial assumptions have been based on market expectations at 31 December annually for the period over which the obligations are to be settled. The principal actuarial assumptions used are as follows:

	2015 %	2014 %	2013 %
Discount rate at 31 December	5.0	5.0	5.0
Future salary increases	5.0	5.0	5.0

ix. The Group expects to contribute \$10.7 million to the Plan in 2016.

#### b) Group Life Benefits

The Corporation operates a post-employment Group Life Scheme. The method of accounting, the assumptions and the frequency of valuations are similar to those used for computing the defined benefit pension obligations.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 10) Pension and Other Post Retirement Benefits (continued)

#### b) Group Life Benefits (continued)

i. The changes in the present value of the defined benefit obligation are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
<b>Present value of the defined benefit obligations of the Group Life Scheme</b>			
Opening present value of defined benefit obligations	1,663	1,575	1,398
Current service costs	111	113	94
Interest costs	88	83	74
Actuarial (gains)/losses on obligations	(64)	(70)	34
Benefits paid	(45)	(38)	(25)
Closing present value of defined benefit obligations	<u>1,753</u>	<u>1,663</u>	<u>1,575</u>

ii. The changes in the fair value of Plan assets are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	-	-	-
Employer contributions for current service	45	38	25
Benefits paid	(45)	(38)	(25)
Closing fair value of Plan assets	<u>-</u>	<u>-</u>	<u>-</u>

iii. The amounts recognized in the Consolidated Statement of Financial Position are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	<u>1,753</u>	<u>1,663</u>	<u>1,575</u>
Liability recognized in the Consolidated Statement of Financial Position	<u>1,753</u>	<u>1,663</u>	<u>1,575</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 10) Pension and Other Post Retirement Benefits (continued)

#### b) Group Life Benefits (continued)

iv. The amounts recognized in the Consolidated Statement of Profit or Loss are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Current service costs	111	113	94
Net interest costs	88	83	74
Expense recognized in the Consolidated Statement of Profit or Loss	199	196	168

v. The amounts recognized in the Consolidated Statement of Comprehensive Income are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Experience (gains)/losses - Demographic	(64)	(70)	34
Total actuarial (gains)/losses recognized in the Consolidated Statement of Comprehensive Income	(64)	(70)	34

#### c) Medical Benefits

The Corporation operates a post-employment medical benefit scheme. The method of accounting, the assumptions and the frequency of valuations are similar to those used for computing the defined benefit pension obligations.

i. The changes in the present value of the defined benefit obligation are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
<b>Present value of the defined benefit obligations of the Medical Benefit Scheme</b>			
Opening present value of defined benefit obligation	10,071	9,299	8,313
Current service costs	751	725	652
Interest costs	519	479	445
Actuarial (gains)/losses	547	(276)	13
Benefits paid	(156)	(156)	(124)
Closing present value of defined benefit obligation	11,732	10,071	9,299



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 10) Pension and Other Post Retirement Benefits (continued)

#### c) Medical Benefits (continued)

ii. The changes in the fair value of Plan assets are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	-	-	-
Employer contributions for current service	156	156	124
Benefits paid	(156)	(156)	(124)
Closing fair value of Plan assets	-	-	-

iii. The amounts recognized in the Consolidated Statement of Financial Position are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	11,732	10,071	9,299
Liability recognized in the Consolidated Statement of Financial Position	11,732	10,071	9,299

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 10) Pension and Other Post Retirement Benefits (continued)

#### c) Medical Benefits (continued)

iv. The amounts recognized in the Consolidated Statement of Profit or Loss are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Current service costs	751	725	652
Net interest costs	519	479	445
Expense recognized in the Consolidated Statement of Profit or Loss	1,270	1,204	1,097

v. The amounts recognized in the Consolidated Statement of Comprehensive Income are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Experience (gains)/losses - Demographic	547	(276)	13
Total Actuarial (gains)/losses recognized in the Consolidated Statement of Comprehensive Income	547	(276)	13

In addition to the pension benefit actuarial assumptions at 10 (a) (viii) above, the Medical Benefit Scheme benefit obligation calculation assumes that long term health costs will increase by 3% (2014: 3%).

A summary of the post retirement liabilities are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Pension liability (see Note 10 (a) (iii) above)	-	-	2,123
Group Life liability (see Note 10 (b) (iii) above)	1,753	1,663	1,575
Medical Benefit liability (see Note 10(c) (iii) above)	11,732	10,071	9,299
<b>Total</b>	<b>13,485</b>	<b>11,734</b>	<b>12,997</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 11) Guarantee Pricing Liability

The Growth and Income Fund (G&IF) guarantees that all unit holders that hold units in the G&IF for at least three years from the date of purchase, can redeem those units at a price no less than the purchase price of the units. The Corporation established the Guarantee Reserve Fund under section 26 (1) of the Act to meet claims under the Guarantee Pricing Plan.

There is significant uncertainty with regard to the timing and value of the claims made under the Guarantee Pricing Plan. Factors that appear to influence the timing of guarantee claims include:

- i. The prevailing price of the Growth and Income Fund units. Generally, the price of the G&IF units and the total Guarantee Pricing Liability are inversely related. Increases in the price of G&IF units generally result in a decrease in the total Guarantee Pricing Liability as the number of units 'in the money' tends to contract. Conversely a decrease in the price of the units generally increases the total Guarantee Pricing Liability as more units are 'in the money'; and
- ii. General public sentiment with regard to the local and global economy.

The G&IF allocates \$500,000 out of its undistributed earnings to the Guarantee Reserve Fund at each distribution to meet any guarantee claims that may arise. The Corporation has historically funded shortfalls in the Guarantee Reserve Fund and is committed to doing so in the future.

In estimating its total Guarantee Pricing Liability at December 2015, the Corporation:

- i. used historical data to develop scenarios of the possible future paths of the unit prices of the G&IF during the ensuing calendar year;
- ii. estimated the claims that may arise under each price projection scenario based on the value of the units entitled to claims at 31 December 2015 (\$24.7 million) and the offer price at 31 December 2015;
- iii. revised the probability weightings to the claim projections for each scenario based on its experience during 2015;
- iv. computed the expected value of each scenario by multiplying the projected claims for the scenario by the probability weighting assigned to that scenario, and
- v. aggregated the expected value of each scenario to determine the total liability.

As a result of the revised probability weights at iii above, 20% of the total liability has been provided for at 31 December 2015 rather than 10% as was provided in 2013 and 2014 previously (see Note 30).

The expected value represents the Corporation's best estimate of the expenditure required to settle its constructive obligations under the Guarantee Pricing Plan at the end of each of the annual periods presented. The Guarantee Pricing Liability was estimated at \$4.94 million at December 2015 (2014: \$3.72 million).

The actual claims made against the December 2015 liability in 2016 and beyond may vary significantly from the Corporation's best estimate due to material variances in the foregoing assumptions.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 12) Net Assets Attributable to Non-group Interests

This represents the entitlement of unit holders in the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund, the US\$ Income Fund and shareholders of the North American Fund to the net consolidated assets reported. The units/shares issued by each of the foregoing Funds may be redeemed by unit/share holders of the Funds at any time. Each Fund is primarily responsible for redemption of its units/shares out of its assets. The Corporation is committed to making good any shortfall that may arise.

The units in the locally domiciled Funds and the North American Fund are treated as equity instruments in their Financial Statements in accordance with IAS 32.16A to 16D. However as required by IAS 32: AG29, the units are treated as a liability in these Consolidated Financial Statements. An analysis by Fund and a summary computation of the net assets attributable to unit holders is provided below.

ANALYSIS OF NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Initial Capital Growth and Income Fund (see below)	4,766	4,766	4,766
Unit Capital Growth and Income Fund (see below)	4,640,532	4,642,640	4,387,815
Unit Capital TT\$ Income Fund	10,657,135	10,474,481	10,662,594
Unit Capital Universal Retirement Fund	288,271	271,389	254,443
Unit Capital US\$ Income Fund	4,111,072	4,054,418	3,900,078
<b>Sub-total locally domiciled Funds</b>	<b>19,701,776</b>	<b>19,447,694</b>	<b>19,209,696</b>
Unit Trust Corporation (Cayman) SPC Limited	-	-	5,989
North American Fund	64,862	46,682	50,227
<b>Sub-total corporate bodies</b>	<b>64,862</b>	<b>46,682</b>	<b>56,216</b>
<b>Net Assets Attributable to Non-group Interests</b>	<b>19,766,638</b>	<b>19,494,376</b>	<b>19,265,912</b>

COMPUTATION OF NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Cash and Cash Equivalents	1,297,254	1,996,609	3,737,884
Receivables	498,431	343,486	331,203
Investment Securities	18,273,340	17,491,745	15,522,451
<b>Total Assets</b>	<b>20,069,025</b>	<b>19,831,840</b>	<b>19,591,538</b>
Less: Liabilities	(121,626)	(121,667)	(156,364)
Less: Group holdings in UTC (Cayman) SPC and North American Fund	(180,761)	(215,797)	(169,262)
<b>Net Assets Attributable to Non-group Interests</b>	<b>19,766,638</b>	<b>19,494,376</b>	<b>19,265,912</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 12) Net assets attributable to non-group interests (continued)

Initial Capital in line one of the Analysis above, represents the capital subscribed by the Initial Contributors in accordance with Section 17 of the Act. The subscriptions were invested in the Growth and Income Fund. Initial Capital at 31 December, 2015 was \$4.8 million (2014: \$4.8 million).

Unit Capital in line two of the Analysis above, represents the Net Asset Value of the four (4) investment Funds domiciled in Trinidad and Tobago at the reporting dates. In respect of the Growth and Income Fund (First Unit Scheme), this excludes the acquisition cost of the units issued in respect of Initial Capital.

Financial information is provided for the locally domiciled Entities represented above in Notes 31-35. Summarized information for the North American Fund is provided in Note 36.

### 13) Statutory Reserves

In accordance with Section 51(1)(b) and (c) of the Securities Act, Chapter 83:02 and Section 27(1)(c) and (d) of the Securities Industry By-Laws, Chapter 83:02, a reserve of \$5 million was established to satisfy the capital requirements for registration as an Underwriter and \$50,000 for registration as an Investment Adviser.

### 14) Revaluation Reserve

The revaluation reserve reflects un-realized capital appreciation and depreciation from changes in the fair values of available-for-sale financial instruments and foreign currency translation differences related to such financial instruments and revaluations related to the Pension Plan. The revaluation of the investments held by the Investment Funds is reflected in the line item Net Assets Attributable to Non-group Interests and is not included in this revaluation reserve.

### 15) Investment Income – Investment Funds

The investment income of the Funds reported in the Consolidated Statement of Profit or Loss excludes transfers from the Corporation. No transfer to the Funds were required during 2015 (2014: \$8.2 million to the Growth and Income Fund).

### 16) Net Investment Income – Group Operations

Net Investment Income includes the contribution to revenue from Treasury operations and the corporate subsidiaries. It comprises the following:

	2015 \$'000	2014 \$'000
Net Investment Income		
Interest and Other Fee Income	94,242	45,864
Interest Expense and Other Charges	(8,460)	(22,850)
<b>Total</b>	<b>85,782</b>	<b>23,014</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 17) Realized Gains Re-classified from Equity

Un-realized gains in the amount of \$392 million were recognized in equity on the revaluation of certain available-for-sale bonds during 2012. On receipt of principal repayments and on disposal of the available-for-sale bonds, the relevant portion of the un-realized gains in equity is re-classified to the Consolidated Statement of Profit or Loss. The total of such gains re-classified from equity to the Consolidated Statement of Profit or Loss was \$32 million (2014:\$78 million).

### 18) Impairment

The Group recognised impairment charges of \$114 million during 2015. A summary of the impairment charges for 2015 and 2014 is as follows.

Entity	2015 \$'000	2014 \$'000
Growth and Income Fund	9,590	51,072
TT\$ Income Fund	40,411	6,179
Universal Retirement Fund	1,301	2,182
US\$ Income Fund	<u>22,127</u>	<u>46,158</u>
<b>Sub-total</b>	<b>73,429</b>	<b>105,591</b>
Corporation and subsidiaries	<u>40,317</u>	<u>60,000</u>
<b>Total</b>	<b><u>113,746</u></b>	<b><u>165,591</u></b>

A portion of the impairment charges recognized, represents amounts previously recognized as un-realised losses on available-for-sale assets in the equity of the respective Funds. Accordingly, recognition of those impairment losses in the Profit or Loss Account did not impact the carrying value of the assets in the respective Funds and consequently had no impact on the Net Asset Value (NAV) of the Funds. The impairment charges are analyzed to show those amounts that affected the carrying value of the assets.

	2015 \$'000	2014 \$'000
Impairments which impacted the carrying value of assets	108,825	112,337
Impairments which did not impact the carrying value of assets	4,921	53,254
<b>Total</b>	<u>113,746</u>	<u>165,591</u>

The impairment charges are analyzed by IAS 39 financial asset classification below.

	2015 \$'000	2014 \$'000
Available-for-sale	113,746	113,254
Held-to-maturity	-	52,337
<b>Total</b>	<u>113,746</u>	<u>165,591</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 18) Impairment (continued)

The carrying value of the assets impaired (before deducting any impairment loss) and the fair value of collateral held are provided below.

	2015 \$'000	2014 \$'000
Carrying value of impaired investments	991,895	685,281
Fair value of collateral held for impaired investments	-	-

### 19) Administrative Expenses

Administrative expenses comprised:

	2015 \$'000	2014 \$'000
Audit fees	480	187
Bank charges	1,168	1,688
Building maintenance	6,997	6,187
Directors' fees	2,333	1,659
General administration	50,834	40,446
Insurance	2,269	2,387
Impairment– non-financial assets	-	391
Marketing and advertising	11,148	10,363
Professional services	15,206	13,566
Rental of premises	5,154	6,040
Security	12,606	11,896
Staff costs (Note 24)	133,909	131,396
<b>Total</b>	<b>242,104</b>	<b>226,206</b>

### 20) Finance Charges

	2015 \$'000	2014 \$'000
Long-term bonds (Note 7)	-	22
	-	22

### 21) Management Charge

The Corporation, in accordance with the regulations governing the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund and the US\$ Income Fund, may charge a management fee of up to 2% on the value of the Funds under management. The average rate of management charge for the year was 0.9% (2014: 1.0% restated).

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 21) Management Charge (continued)

Management charge earned by the Corporation from the Funds is eliminated on consolidation. Management charge eliminated in respect of the locally domiciled Funds for the years ended 31 December is as follows:

	2015 \$'000	2014 \$'000
Growth and Income Fund	93,831	94,560
TT\$ Income Fund	171,742	174,905
Universal Retirement Fund	5,730	5,395
US\$ Income Fund	55,169	42,046
<b>Total</b>	<u>326,472</u>	<u>316,906</u>

In addition to the management charge of \$326 million, the Group earned management charge of \$3.3 million (2014: \$3.2 million) from its foreign investment portfolios and other funds under management. Management charge from third party funds under management is recognized in the Consolidated Statement of Profit or Loss.

### 22) Restricted Assets

The Group, in keeping with best practice and legislation, has no access to the investment securities, cash holdings, cash flows or other assets of the Funds. The Funds are by nature Collective Investment Schemes and as such the assets, including cash, are ring-fenced and used exclusively for the interests of the unit holders/shareholders. The Tables below analyze the significant line items in the Consolidated Statement of Financial Position which include assets that are not available to the Group.

Particulars	2015 \$'000	2014 \$'000	2013 \$'000
Cash and Cash Equivalents (see Note 3)	1,702,425	2,398,439	4,374,680
Restricted Cash and Cash Equivalents	(1,297,792)	(1,996,623)	(3,737,900)
<b>Available to Group without restriction</b>	<u>404,633</u>	<u>401,816</u>	<u>636,780</u>



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 22) Restricted Assets (continued)

Particulars	2015 \$'000	2014 \$'000	2013 \$'000
Receivables	181,286	163,734	170,904
Restricted Receivables	(164,401)	(149,337)	(160,105)
<b>Available to Group without restriction</b>	<u>16,885</u>	<u>14,397</u>	<u>10,799</u>

Particulars	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Investment Securities (see Note 4)	18,928,502	18,678,727	16,968,152
Restricted Investment Securities	(18,273,989)	(17,534,976)	(15,564,699)
<b>Available to Group without restriction</b>	<u>654,513</u>	<u>1,143,751</u>	<u>1,403,453</u>

### 23) Foreign Exchange Gains / (Losses)

The exchange differences credited to the Consolidated Statement of Profit or Loss are included in other income as follows:

	2015 \$'000	2014 \$'000
Foreign exchange (loss)/gain	(332)	1,720
	<u>(332)</u>	<u>1,720</u>

### 24) Staff Costs

	2015 \$'000	2014 \$'000
Salaries and benefits	125,124	118,780
Pension costs	3,889	8,050
National insurance	4,896	4,566
<b>Total</b>	<u>133,909</u>	<u>131,396</u>
<b>Number of employees</b>	<u>493</u>	<u>510</u>

### 25) Distributions

	2015 \$'000	2014 \$'000
Growth and Income Fund	41,136	16,547
TT\$ Income Fund	87,359	99,037
US\$ Income Fund	36,399	31,142
<b>Total</b>	<u>164,894</u>	<u>146,726</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 25) Distributions (continued)

#### a) Growth and Income Fund

The Growth and Income Fund paid \$41.1 million to its unit holders in respect of its June 2015 and December 2015 distributions (2014: \$16.5 million). Included in the \$41.1 million referred to are distributions to Initial Capital Contributors of \$0.1 million (2014: \$0.05 million).

#### b) TT\$ Income Fund

The TT\$ Income Fund makes quarterly distributions at the end of February, May, August and November. Income accrued at 31 December, 2015 for distribution in the quarter ending 28 February, 2016 amounted to \$8.2 million (2015: \$17.1 million).

#### c) US\$ Income Fund

Distributions in the US\$ Income Fund are paid by calendar quarters.

### 26) Financial Risk Management

The financial assets and liabilities of the Group are summarized below:

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
<b>Financial Assets</b>			
Cash and Bank Balances (see Note 3)	1,702,425	2,398,439	4,374,680
Receivables	181,286	163,734	170,904
Investment Securities (see Note 4)	18,928,502	18,678,727	16,968,152
<b>Financial Liabilities</b>			
Financial Instruments (see Note 7)	(60,276)	(573,190)	(1,175,544)
Net Assets Attributable to Non-group Interest (see Note 12)	(19,766,638)	(19,494,376)	(19,265,912)

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Financial Risk Management Framework

The Collective Investment Schemes managed by the Corporation and the Corporation's investment activities expose the Group to a variety of financial risks. The Board of Directors established policies, procedures and an Audit Risk and Compliance Committee to minimize the potential loss arising from such financial risks. In late 2015 the Audit Risk and Compliance Committee was split into two committees namely, the Strategic Risk Committee and the Audit and Compliance Committee. The Strategic Risk Committee will assume responsibility for oversight of the Strategic Risks which the Group faces.

During 2015 the Audit Risk and Compliance Committee met at least once per quarter to:

- i. monitor compliance with the risk management policies and procedures established by the Board;
- ii. ensure that the overall risk profile and policy environment of the Group was appropriate and consistent with the Group's strategic objectives; and
- iii. consider reports and recommendations submitted by the Risk Management Department, the Internal Audit Department and the Management Risk Committee – an executive committee chaired by the Executive Director.

#### Financial Risk Exposures

The primary financial risks to which the Group is exposed are:

- i. equity price risk
- ii. interest rate risk
- iii. currency risk
- iv. credit risk; and
- v. liquidity risk

The Group does not use derivatives to hedge any of the foregoing risks neither does it enter into transactions for speculative purposes.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

Three (3) of the Funds within the Group have significant holdings of equities most of which are traded on either the local or North American stock exchanges. Negative equity price movements in the local and foreign equity markets can subject the portfolios to decreases in their Net Asset Values. This risk is managed by:

- i. careful asset allocation and security selection;
- ii. daily monitoring of security prices; and
- iii. monitoring and measurement of each portfolio's price risk exposure.

The equity price risk exposure is monitored and measured with reference to the beta of equity instruments. Beta is a measure of the stock's price sensitivity to the stock market e.g. stocks that have a beta of 1 would change by approximately 1% for every 1% move in the overall stock market.

A stock with a beta less than 0.9 is considered to have a low equity price risk relative to the overall market. A stock with a beta above 1.1 is considered to have a high equity price risk vis-à-vis the market. A stock with a beta between 0.9 and 1.1 is regarded as having equity price risk comparable to the market.

The Group's equity holdings are categorized below, both in dollar terms and as a percentage of total equity holdings into three (3) categories to reflect the Group's exposure to movements in equity prices.

	Lower than market \$'000	Comparable to market \$'000	Higher than market \$'000
At 31 December, 2015	2,191,953 62.1%	910,526 25.8%	429,340 12.1%
At 31 December, 2014	2,393,071 55.6%	720,023 29.0%	570,647 15.4%
At 31 December, 2013	1,915,048 56.0%	1,074,526 31.4%	428,817 12.6%

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Equity Price Risk (continued)

The following Table presents the approximate sensitivity of the net asset value of the Group to a 5% change in the TTSE Composite Index and the S&P 500 Composite Index respectively as at 31 December with all other variables held constant.

	31 December, 2015	31 December, 2014	31 December, 2013
TTSE Composite Index	\$ 111.4 million	\$39.6 million	\$65.9 million
S&P 500 Composite Index	\$ 54.8 million	\$58.4 million	\$63.1 million

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

#### *Funds*

Two (2) of the Funds within the Group have significant bond holdings and are therefore exposed to interest rate risks.

In general, rising interest rates expose these portfolios to significant fair value interest rate risk i.e. the risk that the fair value of fixed rate debt instruments held by the portfolios diminishes because of a rise in market interest rates. Conversely falling interest rates generally expose the variable rate debt of these portfolios to significant cash flow interest rate risk as they will experience a diminution in earnings as market interest rates fall.

The overall interest rate risk of the portfolios is managed by making appropriate adjustments to the weighted average duration (term to maturity) of the portfolios based on relevant economic and financial market information.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Interest Rate Risk (continued)

##### Corporation

Due to the Corporation's interest bearing asset and liability positions, movements in interest rates expose it to volatility in its net interest income. A substantial portion of its interest bearing assets are at variable rates. Its financial liabilities are short-term fixed rate instruments and are significantly less in value than its interest bearing assets. The Corporation therefore carefully manages potential rate re-pricing mis-matches to maintain a stable and consistent spread between its interest bearing assets and its financial liability instruments.

The Group's exposure to interest rate risk is summarized below.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
<b>At 31 December, 2015</b>					
<b>Assets</b>					
Cash & Cash Equivalents	1,702,425	-	-	-	1,702,425
Short-term Investments	3,975,193	-	-	-	3,975,193
Fixed Income Securities	1,874,242	4,157,463	5,277,294	-	11,308,999
<b>Liabilities</b>					
Financial Instruments	(60,276)	-	-	-	(60,276)
Net Assets Attributable to Non-group Interest	-	-	-	(19,766,638)	(19,766,638)
<b>Rate Re-pricing Position</b>	<b>7,491,584</b>	<b>4,157,463</b>	<b>5,277,294</b>	<b>(19,766,638)</b>	<b>(2,840,297)</b>
<b>At 31 December, 2014 - Restated</b>					
<b>Assets</b>					
Cash & Cash Equivalents	2,398,439	-	-	-	2,398,439
Short-term Investments	4,239,095	35,947	-	-	4,275,042
Fixed Income Securities	3,727,069	2,928,844	4,076,729	-	10,732,642
<b>Liabilities</b>					
Financial Instruments	(573,190)	-	-	-	(573,190)
Net assets attributable to non-group interests	-	-	-	(19,494,376)	(19,494,376)
<b>Rate Re-pricing Position</b>	<b>9,791,413</b>	<b>2,964,791</b>	<b>4,076,729</b>	<b>(19,494,376)</b>	<b>(2,661,443)</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Interest Rate Risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
<b>At 31 December, 2013 - Restated</b>					
<b>Assets</b>					
Cash & Cash Equivalents	4,374,680	-	-	-	4,374,680
Short-term Investments	2,302,474	72,000	-	-	2,374,474
Fixed Income Securities	877,099	3,433,512	6,830,123	-	11,140,734
<b>Liabilities</b>					
Financial Instruments	(1,175,544)	-	-	-	(1,175,544)
Net assets attributable to non-group interests	-	-	-	(19,265,912)	(19,265,912)
<b>Rate Re-pricing Position</b>	<b>6,378,709</b>	<b>3,505,512</b>	<b>6,830,123</b>	<b>(19,265,912)</b>	<b>(2,551,568)</b>

#### Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the TT\$ denominated portfolios contain significant investments denominated in US\$, these portfolios can be negatively impacted by movements in the US\$/TT\$ exchange rate.

The material foreign currency assets and liabilities of the Group as at 31 December are summarized below.

	At 31 December, 2015		At 31 December, 2014		At December 2013	
	US\$ (Presented in TT\$) \$'000	Other Foreign Currencies \$'000	US\$ (Presented in TT\$) \$'000	Other Foreign Currencies \$'000	US\$ (Presented in TT\$)	Other Foreign Currencies
<b>Assets</b>						
Cash & Cash Equivalents	1,094,959	3,024	693,641	2,559	1,033,928	-
Short-term Investments	1,393,013	-	504,981	-	671,827	-
Fixed Income Securities	4,847,364	2,537	5,662,793	-	5,112,574	-
Equities, Private Equity & Mutual Funds	1,567,194	-	1,728,230	-	1,580,582	-
<b>Liabilities</b>						
Financial Instruments	(60,276)	-	(548,110)	-	(801,539)	-
Net Assets Attributable to Unitholders	(4,356,696)	-	(4,009,767)	-	(3,858,329)	-
<b>Total</b>	<b>4,485,558</b>	<b>5,561</b>	<b>4,031,768</b>	<b>2,559</b>	<b>3,739,043</b>	<b>-</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Currency Risk (continued)

A 1% change in the TT dollar relative to the US dollar would have changed the net assets of the Group as at 31 December, 2015 and 31 December, 2014 as follows:

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Change in net assets	<u>45,329</u>	<u>40,743</u>	<u>37,875</u>

#### Credit Risk

Credit risk is the risk that the counter-party to a financial instrument will default on its financial obligations i.e. it fails to make full and timely payments of scheduled interest and/or principal sums due.

Default risk is managed by:

- i. subjecting counter-parties to robust credit risk assessments prior to initial acquisition;
- ii. limiting the acquisition or retention of debt instruments to certain credit ratings; and
- iii. regular review, measurement and monitoring of counter-parties' credit ratings.

The maximum exposure to credit risk before enhancements (e.g. collateral) at 31 December is the carrying amount of the financial assets and is set out below.

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Cash and bank balances (see Note 3)	1,702,425	2,398,439	4,374,680
Receivables	181,286	163,734	170,904
Investment securities (see Note 4)	<u>18,928,502</u>	<u>18,678,727</u>	<u>16,968,152</u>
	<u>20,812,213</u>	<u>21,240,900</u>	<u>21,513,736</u>

The quality of the Group's debt securities is analyzed in the Table below into high, moderate and low using ratings primarily from international rating agencies and local rating agencies for either the instrument, the issuer, the sponsor in the case of Bond ETFs or the sovereign in the case of State owned entities. In those few instances where instruments were rated internally, the ratings were mapped to the international credit quality grades used by Standard and Poor.



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Credit Risk (continued)

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
A rated securities (e.g. S&P AAA to BBB-) are considered high credit quality instruments	10,782,906	7,028,407	10,442,880
B rated securities (e.g. S&P BB+ to B-) are considered medium credit quality instruments	441,488	3,546,126	1,277,518
C rated securities (e.g. CCC+ and below) are considered low quality instruments	<u>84,605</u>	<u>187,928</u>	<u>418,589</u>
Short-term investments	11,308,999	10,762,461	12,138,987
	<u>3,975,193</u>	<u>4,275,042</u>	<u>3,737,875</u>
	<u>15,284,192</u>	<u>15,037,503</u>	<u>15,876,862</u>

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they become due.

The units of the Growth and Income Fund, the TT\$ Income Fund, the US\$ Income Fund and the North American Fund are redeemable on demand. The risk is mitigated in each portfolio by maintaining adequate investments in cash, near cash and short-term liabilities. In addition, substantial portions of investments held by the portfolios are tradable. The risk is therefore deemed insignificant.

The financial liabilities of the Group are summarized by their due dates and shown below. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
<b>At 31 December, 2015</b>			
Financial Instruments	60,276	-	-
Net assets attributable to non-group interests	<u>19,766,638</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>19,826,914</u>	<u>-</u>	<u>-</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 26) Financial Risk Management (continued)

#### Liquidity Risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
<b>At 31 December, 2014 - Restated</b>			
Financial Instruments	573,190	-	-
Net assets attributable to non-group interests	<u>19,494,376</u>	-	-
<b>Total</b>	<b><u>20,067,566</u></b>	<b>-</b>	<b>-</b>
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
<b>At 31 December, 2013 - Restated</b>			
Financial Instruments	1,175,544	-	-
Net assets attributable to non-group interests	<u>19,265,912</u>	-	-
<b>Total</b>	<b><u>20,441,456</u></b>	<b>-</b>	<b>-</b>

### 27) Interests in Corporate Entities

#### a) Local Corporate Entities

The Corporation established three (3) wholly-owned local subsidiary companies incorporated under the Companies Act 81:01 of the Laws of the Republic of Trinidad and Tobago as follows:

Company	Interest	Principal Place of Business	Date of Incorporation
UTC Financial Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	23 March, 1999
UTC Trust Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	2 June, 1999
UTC Property Holdings Limited	100%	82, Independence Square, Port of Spain	18 June, 2002

All the Directors of these three companies are Directors of the Corporation.

UTC Financial Services Limited carries on the business of a registrar and paying agent.

UTC Trust Services Limited was activated in 2012 and is the registered Trustee for certain bonds.

UTC Property Holdings Limited was in the business of renting commercial space to the Corporation but is now in voluntary liquidation.

The assets, liabilities and results of these subsidiaries have been fully incorporated in these Financial Statements.

The auditor for UTC Financial Services Limited and UTC Property Holdings Limited is PricewaterhouseCoopers.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 27) Interests in Corporate Entities (continued)

#### b) Foreign Corporate Entities

The Corporation has four (4) foreign subsidiaries. These are:

<u>Company</u>	<u>Interest</u>	<u>Date of Incorporation</u>	<u>Country of Incorporation</u>
UTC Fund Services, Inc.	100%	8 December, 1997	Delaware, USA
UTC Financial Services USA, Inc.	100%	8 June, 1999	Rhode Island, USA
UTC Energy Investments Limited	100%	31 May, 2007	Delaware, USA
UTC North American Fund Inc.	70%	24 October, 1990	Maryland, USA

Two of the foreign subsidiaries, UTC Fund Services Inc. and UTC Energy Investments Limited do not require auditors for any statutory purpose. The auditors of the other foreign subsidiaries are as follows:

<u>Company</u>	<u>Auditors</u>
UTC Financial Services USA, Inc.	Accell Audit & Compliance, PA, Tampa, Florida
UTC North American Fund Inc.	Cohen Fund Audit Services, Cleveland, Ohio

UTC Energy Investments Limited and UTC Fund Services Inc. are not engaged in activities that require treatment as publicly traded entities and do not require audited statements for any regulatory purpose.

UTC Energy Investments Limited was incorporated in 2007 under the laws of Delaware, USA. The Corporation holds 90% capital of this company and the Growth and Income Fund holds the remaining 10%. Its sole investment was sold and the decision to dissolve the company confirmed in March 2015.

UTC Fund Services Inc. was inactive from its incorporation until 1 March, 2009 when it began operations as the investment advisor to the UTC North American Fund Inc.

UTC North American Fund Inc. is registered as an open-end, diversified, management investment company under the Investment Act of 1940 of the United States of America, as amended.

### 28) Related-party Transactions

Related parties are individuals or entities that are related to the Corporation. An individual is related to the Corporation when that individual or a close member of that individual's family either:

- i. has significant influence over the Corporation; or
- ii. is a key member of the management of the Corporation.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 28) Related-party Transactions (continued)

An entity is related to the Corporation because the entity is a subsidiary of the Corporation, is an associate of the Corporation, is in a joint venture with the Corporation or participates in a post-employment benefit plan of either the Corporation or one of its related entities.

Related party transactions and balances, not disclosed elsewhere in these Financial Statements, are disclosed below.

	2015 \$'000	2014 \$'000
<b>Loans</b>		
Key management personnel of the Group	<u>1,934</u>	<u>1,756</u>
Represented by:		
Balance at beginning of year	1,756	2,159
Loans advanced during year	1,014	598
Loan repayments received during year	(836)	(1,001)
Interest income during year	71	79
Interest received during year	<u>(71)</u>	<u>(79)</u>
Balance at end of year	<u>1,934</u>	<u>1,756</u>
<b>Key Management compensation</b>		
Salaries and other short-term benefits	<u>28,447</u>	<u>28,546</u>
	2015 \$'000	2014 \$'000
<b>Directors</b>		
Units held by Directors and key management personnel	6,683	6,771
<b>Subsidiaries</b>		
Rents paid to subsidiaries	4,550	10,919
Administrative services provided to subsidiaries	2,081	3,346
Receivables from Corporate subsidiaries	28,665	27,064
Receivable balances from Funds which are considered subsidiaries for the purposes of IFRS 10	63,749	81,264
Loans balances receivable from subsidiaries	-	2,236
Loan repayments by subsidiaries	2,236	5,499
Investment transaction (see note in paragraph below)	251,693	-
Sale / Purchase of securities between Funds	22,000	-
Interest from Corporate subsidiaries	182	515
Loan balances payable to Corporate subsidiaries	31,755	31,755
Net appropriations payable to the Funds	51,800	103,748

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 28) Related-party Transactions (continued)

*Investment Transaction (see Subsidiaries Table above)*

In late 2014 the Corporation purchased and held unlisted shares in a local company on behalf of the Growth and Income Fund (the Fund in this paragraph) while certain matters related to the shares were being resolved. During 2015 the unlisted shares, together with the related dividends received by the Corporation, were transferred to the Fund at the price at which the unlisted shares were purchased by the Corporation. In substance all the risks and rewards of ownership with respect to the shares resided with the Fund from the day the said shares were purchased by the Corporation on behalf of the Fund.

### 29) Commitments

At 31 December 2015, the Group had contractual obligations for capital contributions in the amounts of approximately \$48.0 million (2014 - \$60.5 million).

### 30) Contingent Liabilities

(a) At 31 December 2015, there were no legal proceedings outstanding against the Group and as such no provisions were required.

(b) **Growth and Income Fund Guarantee Pricing Contingent Liability:** the computation of the contingent liability under the Growth and Income Fund Price Guarantee for the years 2015, 2014 and 2013 is provided in the table below:

Year	2015 \$'M	2014 \$'M	2013 \$'M
Total Guarantee Pricing Liability	24.7	37.0	50.4
Less: Provision (see Note 11)	<u>(4.9)</u>	<u>(3.7)</u>	<u>(5.0)</u>
<b>Contingent liability</b>	<b><u>19.8</u></b>	<b><u>33.3</u></b>	<b><u>45.4</u></b>

### 31) Locally domiciled funds

The four (4) locally domiciled Funds controlled by the Corporation are considered subsidiaries for the purposes of IFRS 10 and are consolidated structured entities for the purposes of IFRS 12. The portfolio values of the locally domiciled Funds are shown in the Table below.

	2015 \$'000	2014 \$'000	2013 \$'000
Growth and Income Fund	4,746,077	4,704,120	4,475,264
TT\$ Income Fund	10,896,567	10,665,688	10,835,646
Universal Retirement Fund	291,180	274,187	259,140
US\$ Income Fund	<u>4,188,532</u>	<u>4,078,936</u>	<u>3,931,856</u>
<b>Total assets</b>	<b><u>20,122,356</u></b>	<b><u>19,722,931</u></b>	<b><u>19,501,906</u></b>

The summarized financial information in Notes 32-35 discloses the Corporation's interests in the Funds and the arrangements that may require the Corporation to provide financial support to the Funds.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 32) Summarized Financial Information – Growth and Income Fund

The Table below summarizes financial information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Cash and Cash Equivalents	312,308	569,841	403,163
Receivables	222,237	27,163	58,696
Investment Securities (see Tables below)	<u>4,211,532</u>	<u>4,107,116</u>	<u>4,013,405</u>
<b>Total assets</b>	<u>4,746,077</u>	<u>4,704,120</u>	<u>4,475,264</u>
Liabilities	100,780	56,715	82,684
Equity	<u>4,645,297</u>	<u>4,647,405</u>	<u>4,392,580</u>
<b>Total liabilities and equity</b>	<u>4,746,077</u>	<u>4,704,120</u>	<u>4,475,264</u>
Investment Income	<u>283,155</u>	<u>176,877</u>	<u>144,582</u>
Net Income/(Loss) available for distribution	173,342	23,994	(19,468)
Distribution	(41,136)	(16,547)	(31,259)
Allocations to Reserves (see paragraphs below)	(1,000)	(1,000)	(1,000)
Other Comprehensive (Loss)/Income for the year	<u>(91,426)</u>	<u>65,120</u>	<u>441,757</u>
<b>Total Comprehensive Income for the year</b>	<u>39,780</u>	<u>71,567</u>	<u>390,030</u>
Net cash flow from operating activities	31,923	80,631	4,615
Net cash used in investing activities	(205,432)	(79,664)	(351,828)
Net cash (used in)/flow from financing activities	<u>(84,024)</u>	<u>165,711</u>	<u>221,847</u>
<b>Net change in cash flows for the year</b>	<u>(257,533)</u>	<u>166,678</u>	<u>(125,366)</u>

The Table below analyses the investment securities held by the Growth and Income Fund.

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Government Securities	308,136	690,072	720,527
Corporate Securities	666,021	219,275	236,142
Equity (local and foreign)	3,237,375	2,998,619	3,026,757
Short-term Investments	-	199,150	29,979
<b>Total</b>	<u>4,211,532</u>	<u>4,107,116</u>	<u>4,013,405</u>

The Table below classifies the investment securities held by the Growth and Income Fund

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Available-for-sale assets	4,211,532	3,154,077	3,186,315
Held-to-maturity assets	-	953,039	827,090
<b>Total</b>	<u>4,211,532</u>	<u>4,107,116</u>	<u>4,013,405</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 32) Summarized Financial Information – Growth and Income Fund (continued)

#### Growth and Income Fund Guarantee Reserves

In 1984, in accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation established a Guarantee Reserve Fund in respect of the Growth and Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan. During 2015 the Growth and Income Fund made allocations in the amount of \$1.0 million to the Guarantee Reserve. Calls totaling \$5.1 million were made on the Reserve, of which the Corporation met \$4.1 million.

The Corporation has met and will continue to meet any shortfalls in the Guarantee Reserve. In accordance with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets - a provision for this liability has been established (see Note 11).

In 2012 the Board approved the establishment of a Secondary Reserve Facility for the Growth and Income Fund (First Unit Scheme). The Secondary Reserve Facility is funded from income of the Growth and Income Fund and income of the Corporation. The Secondary Reserve is used to fund requirements for capital reinstatement and/or distribution liabilities of the Growth and Income Fund. There were no transactions in the Secondary Reserve during 2015. A summary of the transactions in the Growth and Income Fund Reserves is provided below.

	2015	2014	2013
	\$'000	\$'000	\$'000
<b>Growth and Income Fund Primary Reserve</b>			
Fund Reserve as at 1 January	-	-	-
Allocation to Reserve (Growth and Income Fund)	1,000	1,000	1,000
Call on Reserve	(5,133)	(2,739)	(7,634)
Allocation to Reserve (Corporation)	4,133	1,739	6,634
<b>Guarantee Reserve as at 31 December</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Growth and Income Fund Secondary Reserve</b>			
Fund Reserve as at 1 January	-	-	53,000
Allocation to Reserve (Growth and Income Fund)	-	-	-
Call on Reserve	-	-	(53,000)
<b>Secondary Reserve as at 31 December</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Growth and Income Fund Reserves as at 31 December</b>	<u>-</u>	<u>-</u>	<u>-</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 32) Summarized Financial Information – Growth and Income Fund (continued)

#### Growth and Income Fund Guarantee Reserves (continued)

The Corporation may from time to time transfer a portion of its income to the secondary reserves of the Growth and Income Fund.

No transfers to support the Growth and Income Fund were required during 2015 (2014: \$8.2 million). The Corporation is the sponsor of the Growth and Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

More detailed financial information in respect of the Growth and Income Fund may be found in the Additional Information section of these Financial Statements.

### 33) Summarized Financial Information – TT\$ Income Fund

The Table below summarizes financial information for the TT\$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	2014 \$'000	2013 \$'000
Cash and Cash Equivalents	398,455	1,029,044	2,815,569
Receivables	415,802	348,217	294,932
Investment Securities (see Tables below)	<u>10,082,326</u>	<u>9,278,427</u>	<u>7,725,145</u>
<b>Total assets</b>	<u>10,896,583</u>	<u>10,665,688</u>	<u>10,835,646</u>
Liabilities	239,447	181,207	173,052
Equity	<u>10,657,136</u>	<u>10,474,481</u>	<u>10,662,594</u>
<b>Total liabilities and equity</b>	<u>10,896,583</u>	<u>10,665,688</u>	<u>10,836,646</u>
Investment Income	<u>283,123</u>	<u>293,945</u>	<u>311,825</u>
Net Income available for distribution	61,585	101,837	128,006
Distributions	(87,359)	(99,037)	(125,206)
Allocations to Reserves (see paragraphs below)	(2,800)	(2,800)	(2,800)
Other comprehensive income/(loss) for the year	<u>81,863</u>	<u>(7,668)</u>	<u>4,860</u>
<b>Total comprehensive income/(loss) for the year</b>	<u>53,289</u>	<u>(7,668)</u>	<u>4,860</u>
Net cash flow from from operating activities	92,651	62,886	90,089
Net cash used in investing activities	(762,447)	(1,567,129)	(1,679,264)
Net cash flow from/(used in) financing activities	<u>39,207</u>	<u>(282,282)</u>	<u>(666,882)</u>
<b>Net change in cash flows for the year</b>	<u>(630,589)</u>	<u>(1,786,525)</u>	<u>(2,256,057)</u>



# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 33) Summarized Financial Information – TT\$ Income Fund (continued)

The Table below analyses the investment securities held by the TT\$ Income Fund

	2015 \$'000	2014 \$'000	2013 \$'000
Government Securities	3,159,359	3,259,105	3,083,977
Corporate Securities	3,304,875	2,498,857	3,019,478
Short-term Investments	3,618,092	3,520,465	1,621,690
<b>Total</b>	<u>10,082,326</u>	<u>9,278,427</u>	<u>7,725,145</u>

The Table below classifies the investment securities held by the TT\$ Income Fund

	2015 \$'000	2014 \$'000	2013 \$'000
Available-for-sale assets	10,082,326	1,503,545	1,428,854
Held-to-maturity assets	-	7,774,882	6,296,291
<b>Total</b>	<u>10,082,326</u>	<u>9,278,427</u>	<u>7,725,145</u>

### TT\$ Income Fund Reserves

In accordance with the provisions of Section 13 of the TT\$ Income Fund (Second Unit Scheme) Regulations issued under the Act, the Corporation established two reserves in respect of the TT\$ Income Fund - a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

The Corporation may from time to time transfer a portion of its income to the Reserves of the TT\$ Income Fund.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 33) Summarized Financial Information – TT\$ Income Fund (continued)

A summary of the transactions in the TT\$ Income Fund Reserves is provided below.

<b>TT\$ Income Fund – Primary Reserve</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fund reserve as at 1 January	41,660	38,669	35,553
Allocation to primary reserve	2,800	2,800	2,800
Interest earned on the reserve	334	191	316
<b>Primary Reserve as at 31 December</b>	<u><b>44,794</b></u>	<u><b>41,660</b></u>	<u><b>38,669</b></u>
<b>TT\$ Income Fund – Secondary Reserve</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fund reserve as at 1 January	3,623	3,605	3,575
Interest earned on the reserve	28	18	30
<b>Secondary Reserve as at 31 December</b>	<u><b>3,651</b></u>	<u><b>3,623</b></u>	<u><b>3,605</b></u>
<b>Total TT\$ Income Fund Reserves as at 31 December</b>	<u><b>48,445</b></u>	<u><b>45,283</b></u>	<u><b>42,274</b></u>

The Corporation is the sponsor of the TT\$ Income Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the TT\$ Income Fund were required during 2015 (2014 – nil).

More detailed financial information in respect of the TT\$ Income Fund may be found in the Additional Information section of these Financial Statements.

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 34) Summarized Financial Information – Universal Retirement Fund

The Table below summarises financial information for the Universal Retirement Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Cash and Cash Equivalents	19,349	42,208	17,801
Receivables	1,474	1,440	1,465
Investment Securities (see Tables below)	<u>270,357</u>	<u>230,539</u>	<u>239,874</u>
<b>Total assets</b>	<b>291,180</b>	<b>274,187</b>	<b>259,140</b>
Liabilities	2,910	2,798	4,696
Equity	<u>288,270</u>	<u>271,389</u>	<u>254,444</u>
<b>Total liabilities and equity</b>	<b>291,180</b>	<b>274,187</b>	<b>259,140</b>
Investment Income	<u>8,620</u>	<u>10,050</u>	<u>12,537</u>
Net Income for capitalization	1,159	2,042	4,832
Other Comprehensive Income for the year	<u>2,293</u>	<u>3,458</u>	<u>31,605</u>
<b>Total comprehensive income for the year</b>	<b>3,452</b>	<b>5,500</b>	<b>36,437</b>
Net cash flow from operating activities	2,538	2,351	9,299
Net cash (used in)/flow from investing activities	(38,826)	10,611	(32,148)
Net cash flow from financing activities	<u>13,429</u>	<u>11,445</u>	<u>20,206</u>
<b>Net change in cash flows for the year</b>	<b>(22,859)</b>	<b>24,407</b>	<b>(2,643)</b>

The Table below analyses the investment securities held by the Universal Retirement Fund.

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Government Securities	35,514	32,799	33,596
Corporate Securities	33,496	32,292	35,539
Equity (local and foreign)	<u>201,347</u>	<u>165,448</u>	<u>170,739</u>
<b>Total</b>	<b>270,357</b>	<b>230,539</b>	<b>239,874</b>

The Table below classifies the investment securities held by the Universal Retirement Fund.

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Available-for-sale assets	270,357	190,177	196,657
Held-to-maturity assets	-	40,362	43,217
<b>Total</b>	<u>270,357</u>	<u>230,539</u>	<u>239,874</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 34) Summarized Financial Information – Universal Retirement Fund (continued)

The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the Universal Retirement Fund were required during 2015 (2014 – nil).

More detailed financial information in respect of the Universal Retirement Fund may be found in the Additional Information section of these Consolidated Financial Statements.

### 35) Summarized Financial Information – US\$ Income Fund

The Table below summarises Financial Information for the US\$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	2014 \$'000	2013 \$'000
Cash and Cash Equivalents	566,646	368,447	501,343
Receivables	158,691	98,783	113,011
Investment Securities (see Tables below)	<u>3,463,195</u>	<u>3,611,706</u>	<u>3,317,502</u>
<b>Total assets</b>	<u><b>4,188,532</b></u>	<u><b>4,078,936</b></u>	<u><b>3,931,856</b></u>
Liabilities	77,459	24,518	31,777
Equity	<u>4,111,073</u>	<u>4,054,418</u>	<u>3,900,079</u>
<b>Total liabilities and equity</b>	<u><b>4,188,532</b></u>	<u><b>4,078,936</b></u>	<u><b>3,931,856</b></u>
Investment Income	<u>104,240</u>	<u>100,706</u>	<u>120,131</u>
Net Income available for distribution	25,610	11,301	48,672
Distributions	(36,399)	(31,142)	(42,159)
Allocations to reserves (see paragraphs below)	(7,705)	(12,052)	(19,141)
Other Comprehensive (Loss)/Income for the year	<u>(39,124)</u>	<u>21,923</u>	<u>(39,376)</u>
<b>Total comprehensive loss for the year</b>	<u><b>(57,618)</b></u>	<u><b>(9,970)</b></u>	<u><b>(52,004)</b></u>
Net cash flow from operating activities	40,769	64,429	303,928
Net cash flow from/(used in) investing activities	111,148	(318,333)	(135,831)
Net cash flow from/(used in) financing activities	<u>43,356</u>	<u>120,367</u>	<u>(705,572)</u>
<b>Net change in cash flows for the year</b>	<u><b>195,273</b></u>	<u><b>(133,537)</b></u>	<u><b>(537,475)</b></u>

The Table below analyses the investment securities held by the US\$ Income Fund

	2015 \$'000	2014 \$'000	2013 \$'000
Government Securities	263,305	337,141	360,426
Corporate Securities	2,930,218	2,850,388	2,354,316
Short-term Investments	269,672	424,177	602,760
<b>Total</b>	<u><b>3,463,195</b></u>	<u><b>3,611,706</b></u>	<u><b>3,317,502</b></u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 35) Summarized Financial Information – US\$ Income Fund (continued)

The Table below classifies the investment securities held by the US\$ Income Fund

	2015 \$'000	2014 \$'000	2013 \$'000
Available-for-sale assets	3,463,195	2,887,185	2,364,024
Held-to-maturity assets	-	724,521	953,478
<b>Total</b>	<b>3,463,195</b>	<b>3,611,706</b>	<b>3,317,502</b>

### US\$ Income Fund Reserves

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation has established two reserves in respect of the US\$ Income Fund, a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund. There were no calls on the reserve during 2015 (2014: \$31.9 million).

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

A summary of the transactions in the US\$ Income Fund Reserves is provided below.

<b>US\$ Income Fund – Primary Reserve</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Fund reserve as at 1 January	22,476	46,016	38,007
Allocation to primary reserve	7,705	7,654	7,654
Call on reserve	-	(31,909)	-
Interest earned on the reserve	112	109	235
Foreign exchange revaluation	152	606	120
<b>Primary Reserve as at 31 December</b>	<b>30,444</b>	<b>22,476</b>	<b>46,016</b>
<b>US\$ Income Fund – Secondary Reserve</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Fund reserve as at 1 January	24,954	20,435	21,344
Allocation to secondary reserve	-	4,398	11,487
Call on reserves	-	-	(12,628)
Interest earned on the reserve	109	85	175
Revaluation	166	36	57
<b>Secondary Reserve as at 31 December</b>	<b>25,229</b>	<b>24,954</b>	<b>20,435</b>
<b>Total US\$ Income Fund Reserves as at 31 December</b>	<b>55,673</b>	<b>47,430</b>	<b>66,451</b>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 35) Summarized Financial Information – US\$ Income Fund (continued)

#### US\$ Income Fund Reserves (continued)

The Corporation is the sponsor of the US\$ Income Fund and is committed to supporting the Fund financially and otherwise as and when necessary. No transfers to support the US\$ Income Fund were required during 2015 (2014 – nil).

More detailed financial information in respect of the US\$ Income Fund may be found in the Additional Information section of these Financial Statements.

### 36) Summarized Financial Information – North American Fund

The North American Fund is an investment company organized under the Investment Act 1940 of the United States of America. It is controlled by the Corporation though there is significant minority shareholding by third parties. The Table below summarizes financial information for the North American Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	2014 \$'000	2013 \$'000
Cash and cash equivalents	496	6	10
Receivables & other assets	582	520	463
Investment securities (see Tables below)	<u>245,930</u>	<u>263,957</u>	<u>226,526</u>
<b>Total assets</b>	<u>247,008</u>	<u>264,483</u>	<u>226,999</u>
Liabilities	1,385	2,003	1,522
Equity	<u>245,623</u>	<u>262,480</u>	<u>225,477</u>
<b>Total liabilities and equity</b>	<u>247,008</u>	<u>262,483</u>	<u>226,999</u>
Investment income	<u>62,405</u>	<u>3,894</u>	<u>23,423</u>
Net Income/(Loss)	<u>56,334</u>	<u>(1,152)</u>	<u>18,652</u>
Distributions	<u>53,953</u>	<u>4,956</u>	<u>11,690</u>
Other comprehensive (loss)/income for the year	<u>(65,772)</u>	<u>25,210</u>	<u>10,102</u>
Net cash (used in)/flow from operating activities	<u>(1,073)</u>	<u>(379)</u>	<u>298</u>
Net cash flow from/(used in) investing activities	<u>10,716</u>	<u>(12,561)</u>	<u>176</u>
Net cash (used in)/flow from financing activities	<u>(9,153)</u>	<u>12,937</u>	<u>(507)</u>
<b>Net change in cash flows for the year</b>	<u>490</u>	<u>(3)</u>	<u>(33)</u>

# Trinidad and Tobago Unit Trust Corporation

## Notes to the Consolidated Financial Statements (continued) For the year ended 31 December, 2015

Expressed in Trinidad and Tobago Dollars

### 36) Summarized Financial Information – North American Fund (continued)

The Table below analyses the investment securities held by the North American Fund.

	2015 \$'000	2014 \$'000	2013 \$'000
Corporate Securities	32,082	37,512	26,932
Equity (foreign)	213,848	213,378	185,328
Short-term Investments	-	13,067	14,266
<b>Total</b>	<b>245,930</b>	<b>263,957</b>	<b>226,526</b>

The Table below classifies the investment securities held by the North American Fund

	2015 \$'000	2014 \$'000	2013 \$'000
Available-for-sale assets	245,930	263,957	226,526
<b>Total</b>	<b>245,930</b>	<b>263,957</b>	<b>226,526</b>

The Corporation is the sponsor of the North American Fund and is committed to supporting the Fund financially and otherwise as and when necessary. No transfers to support the North American Fund were required during 2015.

### 37) Approval of the Financial Statements

These Financial Statements were approved by the Board of Directors and authorized for issue on 3rd February, 2016.

ADDITIONAL  
INFORMATION



**Trinidad and Tobago Unit Trust Corporation**  
**GROWTH AND INCOME FUND**  
**(FIRST UNIT SCHEME)**  
**STATEMENT OF FINANCIAL POSITION**

As at 31 December, 2015

Expressed in Trinidad and Tobago Dollars

ASSETS	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000	Restated 31-Dec-13 \$'000
Cash and Cash Equivalents	312,308	569,841	403,163
Receivables	222,237	27,163	58,696
Investment Securities	4,211,532	4,107,116	4,013,405
<b>TOTAL ASSETS</b>	<b>4,746,077</b>	<b>4,704,120</b>	<b>4,475,264</b>
<b>LIABILITIES</b>			
Accounts Payable	79,981	56,443	48,255
Other Liabilities	20,799	272	34,429
<b>TOTAL LIABILITIES</b>	<b>100,780</b>	<b>56,715</b>	<b>82,684</b>
<b>EQUITY</b>			
Net Assets attributable to unitholders	3,176,627	3,218,515	3,035,257
Fair Value Reserve	1,462,312	1,553,738	1,488,618
Retained Earnings	6,358	(124,848)	(131,295)
<b>TOTAL EQUITY</b>	<b>4,645,297</b>	<b>4,647,405</b>	<b>4,392,580</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,746,077</b>	<b>4,704,120</b>	<b>4,475,264</b>

**Trinidad and Tobago Unit Trust Corporation**  
**GROWTH AND INCOME FUND**  
**(FIRST UNIT SCHEME)**  
**STATEMENT OF PROFIT OR LOSS**  
**For the year ended 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
<b>INCOME</b>		
Interest income	73,987	68,700
Dividends income	92,318	83,052
Realised Capital Gains	116,850	25,125
<b>Total Income</b>	<b>283,155</b>	<b>176,877</b>
<b>EXPENSES</b>		
Management Charge	(93,831)	(94,560)
Impairment	(9,590)	(51,072)
Other Expenses	(106)	(1,161)
Bank Charges	(15)	-
<b>Total Expenses</b>	<b>(103,542)</b>	<b>(146,793)</b>
<b>Net Income Before Taxation</b>	<b>179,613</b>	<b>30,084</b>
Withholding Taxes	(6,271)	(6,090)
<b>NET INCOME AVAILABLE FOR DISTRIBUTION</b>	<b>173,342</b>	<b>23,994</b>
Distribution Paid to Initial Contributors	(115)	(57)
Distribution Paid to Unitholders	(41,021)	(16,490)
<b>Total Distribution</b>	<b>(41,136)</b>	<b>(16,547)</b>
<b>UNDISTRIBUTED INCOME BEFORE TRANSFER TO RESERVES</b>	<b>132,206</b>	<b>7,447</b>
Allocation to Guarantee Reserve Fund	(1,000)	(1,000)
<b>UNDISTRIBUTED INCOME FOR THE YEAR</b>	<b>131,206</b>	<b>6,447</b>

**Trinidad and Tobago Unit Trust Corporation**  
**GROWTH AND INCOME FUND**  
**(FIRST UNIT SCHEME)**  
**STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000
<b>UNDISTRIBUTED INCOME FOR THE YEAR</b>	<b>131,206</b>	<b>6,447</b>
<b>Other Comprehensive Income:</b>		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value gains arising during the year	14,168	40,035
Fair value gains transferred to income	(115,184)	(25,987)
Impairment losses transferred to income	9,590	51,072
<b>Other Comprehensive (Loss)/Income at the end of the year</b>	<b>(91,426)</b>	<b>65,120</b>
<b>TOTAL COMPREHENSIVE INCOME AT THE END OF THE YEAR</b>	<b>39,780</b>	<b>71,567</b>

**Trinidad and Tobago Unit Trust Corporation**  
**GROWTH AND INCOME FUND**  
**(FIRST UNIT SCHEME)**  
**STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December, 2015**

Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders	Fair Value Reserve	Fund Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 January, 2015</b>	<b>3,218,515</b>	<b>1,553,738</b>	-	<b>(124,848)</b>	<b>4,647,405</b>
Subscriptions from Unitholders	135,606	-	-	-	135,606
Redemptions to Unitholders	(177,494)	-	-	-	(177,494)
Other Comprehensive (Loss)/Income for the year	-	(91,426)	-	131,206	39,780
<b>Balance as at 31 December, 2015</b>	<b>3,176,627</b>	<b>1,462,312</b>	-	<b>6,358</b>	<b>4,645,297</b>
<b>Balance as at 1 January, 2014</b>	<b>3,035,257</b>	<b>1,488,618</b>	-	<b>(131,295)</b>	<b>4,392,580</b>
Subscriptions from Unitholders	267,382	-	-	-	267,382
Redemptions to Unitholders	(84,124)	-	-	-	(84,124)
Other Comprehensive Income for the year	-	65,120	-	6,447	71,567
<b>Balance as at 31 December, 2014 (Restated)</b>	<b>3,218,515</b>	<b>1,553,738</b>	-	<b>(124,848)</b>	<b>4,647,405</b>

**Trinidad & Tobago Unit Trust Corporation**  
**GROWTH AND INCOME FUND**  
**(FIRST UNIT SCHEME)**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000
<b>OPERATING ACTIVITIES</b>		
Net Income before Taxation	179,613	30,084
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Impairment	9,590	51,072
Taxation Paid	(6,271)	(6,090)
<i>Movements in Working Capital</i>	182,932	75,066
(Increase)/Decrease in Receivables	(195,074)	31,533
Increase/(Decrease) in Accounts Payables	44,065	(25,969)
<b>Net Cash Flow From Operating Activities</b>	<b>31,923</b>	<b>80,630</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of Investment Securities	(1,168,667)	(370,984)
Disposal of Investment Securities	963,235	291,321
<b>Net Cash Used In From Investing Activities</b>	<b>(205,432)</b>	<b>(79,663)</b>
<b>FINANCING ACTIVITIES</b>		
Subscriptions from Unitholders	135,606	267,382
Redemptions to Unitholders	(177,494)	(84,124)
Distributions to Unitholders	(41,136)	(16,547)
Guarantee Reserve	(1,000)	(1,000)
<b>Net Cash (Used In)/Flow From Financing Activities</b>	<b>(84,024)</b>	<b>165,711</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(257,533)</b>	<b>166,678</b>
Cash and Cash Equivalents at the beginning of the year	569,841	403,163
<b>Cash and Cash Equivalents at the end of the year</b>	<b>312,308</b>	<b>569,841</b>

**Trinidad and Tobago Unit Trust Corporation**  
**TT DOLLAR INCOME FUND**  
**STATEMENT OF FINANCIAL POSITION**

**As at 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$'000	31-Dec-14 \$'000
<b>ASSETS</b>		
Cash and Cash Equivalents	398,455	1,029,044
Receivables	415,802	348,217
Investment Securities	10,082,326	9,278,427
<b>Total Assets</b>	<b>10,896,583</b>	<b>10,655,688</b>
<b>LIABILITIES</b>		
Payables	18,799	32,713
Other Liabilities	220,648	148,494
<b>Total Liabilities</b>	<b>239,447</b>	<b>181,207</b>
<b>EQUITY AND RESERVES</b>		
Net Assets Attributable to Unitholders	10,538,319	10,412,115
Other Reserves	9,918	9,918
Fund Reserves	48,445	45,283
Undistributed Income	(28,574)	-
Fair Valuation Reserve	89,028	7,165
<b>Total Equity and Reserves</b>	<b>10,657,136</b>	<b>10,474,481</b>
<b>TOTAL LIABILITIES, EQUITY AND RESERVES</b>	<b>10,896,583</b>	<b>10,655,688</b>

**Trinidad and Tobago Unit Trust Corporation**  
**TT DOLLAR INCOME FUND**  
**STATEMENT OF PROFIT OR LOSS**  
**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$'000	31-Dec-14 \$'000
<b>INCOME</b>		
Interest Income	282,398	290,697
Realised Capital Losses	(1,820)	(744)
Net Foreign Exchange Gains	957	2,015
Other Income	1,588	1,977
<b>Total Income</b>	<b>283,123</b>	<b>293,945</b>
<b>EXPENSES</b>		
Management Charge	(171,742)	(174,905)
Impairment	(40,411)	(6,179)
Commissions	(8,902)	(10,719)
Other Expenses	(468)	(305)
Bank Charges	(15)	-
<b>Total Expenses</b>	<b>(221,538)</b>	<b>(192,108)</b>
<b>NET INCOME AVAILABLE FOR DISTRIBUTION</b>	<b>61,585</b>	<b>101,837</b>
Distribution	(87,359)	(81,910)
Provision for Distribution	-	(17,127)
<b>Total Distribution</b>	<b>(87,359)</b>	<b>(99,037)</b>
<b>UNDISTRIBUTED (LOSS)/INCOME BEFORE TRANSFER TO RESERVES</b>	<b>(25,774)</b>	<b>2,800</b>
Allocation to Primary Reserve	(2,800)	(2,800)
<b>UNDISTRIBUTED LOSS FOR THE YEAR</b>	<b>(28,574)</b>	<b>-</b>

**Trinidad and Tobago Unit Trust Corporation**  
**TT DOLLAR INCOME FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$'000	31-Dec-14 \$'000
<b>UNDISTRIBUTED LOSS FOR THE YEAR</b>	<b>(28,574)</b>	<b>-</b>
<b>Other Comprehensive Income:</b>		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value gains/(losses) arising during the year	120,510	(16,834)
Fair value gains transferred to income	1,764	2,987
Impairment losses transferred to income	(40,411)	6,179
<b>Other Comprehensive Income/(Loss) for the year</b>	<b>81,863</b>	<b>(7,668)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<b>53,289</b>	<b>(7,668)</b>



**Trinidad and Tobago Unit Trust Corporation**  
**TT DOLLAR INCOME FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago Dollars**

	Net Assets Atributable to Unitholders \$'000	Other Reserves \$'000	Retained Earnings \$'000	Fair Value Reserve \$'000	Fund Reserve \$'000	Total \$'000
<b>Balance as at 1 January, 2015</b>	<b>10,412,115</b>	<b>9,918</b>	-	<b>7,165</b>	<b>45,283</b>	<b>10,474,481</b>
Net Income Available for Distribution	-	-	61,585	-	-	61,585
Subscriptions from Unitholders	1,398,080	-	-	-	-	1,398,080
Redemptions to Unitholders	(1,271,876)	-	-	-	-	(1,271,876)
Distributions to Unitholders	-	-	(87,359)	-	-	(87,359)
Reallocation to Income	-	-	-	-	-	-
Net Allocation to Reserves	-	-	(2,800)	-	3,162	362
Other Comprehensive gain for the year	-	-	-	81,863	-	81,863
<b>Balance as at 31 December, 2015</b>	<b>10,538,319</b>	<b>9,918</b>	<b>(28,574)</b>	<b>89,028</b>	<b>48,445</b>	<b>10,657,136</b>
<b>Balance as at 1 January, 2014</b>	<b>10,595,569</b>	<b>9,918</b>	-	<b>14,833</b>	<b>42,274</b>	<b>10,662,594</b>
Net Income Available for Distribution	-	-	101,837	-	-	101,837
Subscriptions from Unitholders	1,395,280	-	-	-	-	1,395,280
Redemptions to Unitholders	(1,578,734)	-	-	-	-	(1,578,734)
Distributions to Unitholders	-	-	(99,037)	-	-	(99,037)
Net Allocation to Reserves	-	-	(2,800)	-	3,009	209
Other Comprehensive Loss for the year	-	-	-	(7,668)	-	(7,668)
<b>Balance as at 31 December, 2014</b>	<b>10,412,115</b>	<b>9,918</b>	-	<b>7,165</b>	<b>45,283</b>	<b>10,474,481</b>

**Trinidad and Tobago Unit Trust Corporation**  
**TT DOLLAR INCOME FUND**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago Dollars**

	30-Dec-15 \$'000	31-Dec-14 \$'000
<b>OPERATING ACTIVITIES</b>		
Net Income	61,585	101,837
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	40,411	6,179
<i>Movements in Working Capital</i>		
Increase in Receivables	(67,585)	(53,285)
Increase in Payables	58,240	8,155
<b>Net Cash Flow From Operating Activities</b>	<b>92,651</b>	<b>62,886</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of Investment Securities	(7,472,757)	(4,018,593)
Disposal of Investment Securities	6,710,310	2,451,464
<b>Net Cash Used In Investing Activities</b>	<b>(762,447)</b>	<b>(1,567,129)</b>
<b>FINANCING ACTIVITIES</b>		
Subscriptions from Unitholders	1,398,080	1,395,280
Redemptions to Unitholders	(1,271,876)	(1,578,734)
Distribution to Unitholders	(87,359)	(99,037)
Interest earned on the Reserve	362	209
<b>Net Cash Flow From/(Used In) Financing Activities</b>	<b>39,207</b>	<b>(282,282)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(630,589)</b>	<b>(1,786,525)</b>
<b>Cash and Cash Equivalents at beginning of the year</b>	<b>1,029,044</b>	<b>2,815,569</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>398,455</b>	<b>1,029,044</b>

**Trinidad & Tobago Unit Trust Corporation**  
**UNIVERSAL RETIREMENT FUND**  
**STATEMENT OF FINANCIAL POSITION**

**As at 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

<b>ASSETS</b>	<b>31-Dec-15</b> <b>\$ '000</b>	<b>Restated</b> <b>31-Dec-14</b> <b>\$ '000</b>	<b>Restated</b> <b>31-Dec-13</b> <b>\$ '000</b>
Cash and Cash Equivalents	19,349	42,208	17,801
Receivables	1,474	1,440	1,465
Investment Securities	270,357	230,539	239,874
<b>TOTAL ASSETS</b>	<b>291,180</b>	<b>274,187</b>	<b>259,140</b>
<b>LIABILITIES</b>			
Accounts Payable	2,906	2,794	2,691
Other Liabilities	4	4	2,006
<b>TOTAL LIABILITIES</b>	<b>2,910</b>	<b>2,798</b>	<b>4,697</b>
<b>EQUITY</b>			
Net Assets attributable to unitholders	167,737	154,308	142,862
Fair Value Reserve	67,207	64,914	61,456
Retained Earnings	53,326	52,167	50,125
<b>TOTAL EQUITY</b>	<b>288,270</b>	<b>271,389</b>	<b>254,443</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>291,180</b>	<b>274,187</b>	<b>259,140</b>

**Trinidad & Tobago Unit Trust Corporation**  
**UNIVERSAL RETIREMENT FUND**  
**STATEMENT OF PROFIT OR LOSS**

**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
<b>INCOME</b>			
Dividends	5,638	5,073	2,882
Interest	3,202	3,431	3,120
Realised (Loss)/Gain	(245)	1,546	6,516
Miscellaneous Income	25	-	19
<b>TOTAL INCOME</b>	<b>8,620</b>	<b>10,050</b>	<b>12,537</b>
<b>EXPENSES</b>			
Management Charge	(5,730)	(5,395)	(4,788)
Impairment	(1,301)	(2,182)	(2,387)
Other Expenses	(4)	(3)	(4)
Bank Charges	(4)	-	-
<b>TOTAL EXPENSES</b>	<b>(7,039)</b>	<b>(7,580)</b>	<b>(7,179)</b>
<b>Net Income before Taxation</b>	<b>1,581</b>	<b>2,470</b>	<b>5,358</b>
Withholding Tax	(422)	(428)	(526)
<b>NET INCOME FOR CAPITALISATION</b>	<b>1,159</b>	<b>2,042</b>	<b>4,832</b>

**Trinidad and Tobago Unit Trust Corporation**  
**UNIVERSAL RETIREMENT FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

	<b>31-Dec-15</b> <b>\$ '000</b>	Restated 31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
<b>Net Income for the year</b>	<b>1,159</b>	2,042	4,832
<b>Other Comprehensive Income:</b> <i>Amounts that may be transferred to Profit or Loss in the future:</i>			
-Fair value gain arising during the year	709	2,832	35,918
-Fair value loss/(gain) transferred to income	283	(1,556)	(6,700)
-Impairment losses transferred to income	1,301	2,182	2,387
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,293</b>	3,458	31,605
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>3,452</b>	5,500	36,437

**Trinidad and Tobago Unit Trust Corporation**  
**UNIVERSAL RETIREMENT FUND**  
**STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

	Net Assets Attributable to Unitholders <u>\$'000</u>	Fair Value Reserve <u>\$'000</u>	Retained Earnings <u>\$'000</u>	<i>Total</i> <u>\$'000</u>
<b>Balance as at 1 January, 2015</b>	154,308	64,914	52,167	271,389
Total Comprehensive Income for the year	-	2,293	1,159	3,452
Subscriptions from unitholders	32,951	-	-	32,951
Redemptions to unitholders	(19,522)	-	-	(19,522)
<b>Balance as at 31 December, 2015</b>	<u>167,737</u>	<u>67,207</u>	<u>53,326</u>	<u>288,270</u>
<b>Balance as at 1 January, 2014</b>	142,862	61,456	50,125	254,443
Total Comprehensive Income for the year	-	3,458	2,042	5,500
Subscriptions from unitholders	29,265	-	-	29,265
Redemptions to unitholders	(17,819)	-	-	(17,819)
<b>Balance as at 31 December, 2014 (Restated)</b>	<u>154,308</u>	<u>64,914</u>	<u>52,167</u>	<u>271,389</u>
<b>Balance as at 1 January, 2013</b>	122,656	29,851	45,293	197,800
Total Comprehensive Income for the year	-	31,605	4,832	36,437
Subscriptions from unitholders	38,603	-	-	38,603
Redemptions to unitholders	(18,397)	-	-	(18,397)
<b>Balance as at 30 September, 2013 (Restated)</b>	<u>142,862</u>	<u>61,456</u>	<u>50,125</u>	<u>254,443</u>

**Trinidad & Tobago Unit Trust Corporation**  
**UNIVERSAL RETIREMENT FUND**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December, 2015**  
**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
<b>OPERATING ACTIVITIES</b>			
Net Investment Income	1,581	2,470	5,358
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>			
Impairment	1,301	2,182	2387
Taxation Paid	(422)	(428)	(526)
	<u>2,460</u>	<u>4,224</u>	<u>7,219</u>
<i>Movements in Working Capital</i>			
(Increase)/Decrease in Receivables	(34)	25	(452)
Increase/(Decrease) in Payables	112	(1,899)	2,532
	<u>2,538</u>	<u>2,350</u>	<u>9,299</u>
<b>Net Cash Flow From Operating Activities</b>			
<b>INVESTING ACTIVITIES</b>			
Purchase of Investment Securities	(63,218)	(2,599)	(70,283)
Disposal of Investment Securities	24,392	13,210	38,135
	<u>(38,826)</u>	<u>10,611</u>	<u>(32,148)</u>
<b>Net Cash Flow (Used In)/From Investing Activities</b>			
<b>FINANCING ACTIVITIES</b>			
Subscriptions from unitholders	32,951	29,265	38,603
Redemptions to unitholders	(19,522)	(17,819)	(18,397)
	<u>13,429</u>	<u>11,446</u>	<u>20,206</u>
<b>Net Cash Flow From Financing Activities</b>			
<b>NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
	<u>(22,859)</u>	<u>24,407</u>	<u>(2,643)</u>
Cash and Cash Equivalents at beginning of the year	42,208	17,801	20,444
Cash and Cash Equivalents at end of the year	<u>19,349</u>	<u>42,208</u>	<u>17,801</u>

**Trinidad and Tobago Unit Trust Corporation**  
**US DOLLAR INCOME FUND**  
**STATEMENT OF FINANCIAL POSITION**

**As at 31 December, 2015**

**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$ '000	Audited 31-Dec-14 \$ '000
<b>ASSETS</b>		
Cash and Cash Equivalents	566,646	368,447
Receivables	158,691	98,783
Investments Securities	3,463,195	3,611,706
<b>Total Assets</b>	<b>4,188,532</b>	<b>4,078,936</b>
<b>LIABILITIES</b>		
Payables	17,098	24,182
Other Liabilities	60,361	336
<b>Total Liabilities</b>	<b>77,459</b>	<b>24,518</b>
<b>EQUITY AND RESERVES</b>		
Net Assets Attributable to Unitholders	4,115,795	4,009,767
Other Reserves	(18,313)	180
Undistributable Loss	(73,743)	(73,259)
Fair Valuation Reserve	(42,083)	(2,959)
Fund Reserves	55,674	47,430
Capital Reinstatement	73,743	73,259
<b>Total Equity and Reserves</b>	<b>4,111,073</b>	<b>4,054,418</b>
<b>TOTAL LIABILITIES EQUITY AND RESERVES</b>	<b>4,188,532</b>	<b>4,078,936</b>



**Trinidad and Tobago Unit Trust Corporation**  
**US DOLLAR INCOME FUND**  
**STATEMENT OF PROFIT OR LOSS**  
**For the year ended 31 December 2015**  
**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$'000	31-Dec-14 \$'000
<b>INCOME</b>		
Interest Income	96,485	98,594
Realised Capital Gains/ (Losses)	7,586	(5,862)
Other Income	169	7,974
<b>Total Income</b>	<b>104,240</b>	<b>100,706</b>
<b>EXPENSES</b>		
Management Charge	(55,169)	(42,047)
Impairment	(22,126)	(46,158)
Commissions	(1,205)	(1,074)
Other Expenses	(104)	(126)
Bank Charges	(26)	-
<b>Total Expenses</b>	<b>(78,630)</b>	<b>(89,405)</b>
<b>NET INCOME</b>	<b>25,610</b>	<b>11,301</b>
Distribution	(36,399)	(31,142)
<b>Total Distribution</b>	<b>(36,399)</b>	<b>(31,142)</b>
<b>UNDISTRIBUTED LOSS</b>	<b>(10,789)</b>	<b>(19,841)</b>
Allocation to Primary Reserve	(7,705)	(7,654)
Allocation to Secondary Reserve	-	(4,398)
<b>UNDISTRIBUTED LOSS FOR THE YEAR</b>	<b>(18,494)</b>	<b>(31,893)</b>

**Trinidad and Tobago Unit Trust Corporation**  
**US DOLLAR INCOME FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2015**  
**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$ '000	31-Dec-14 \$ '000
<b>UNDISTRIBUTED LOSS FOR THE YEAR</b>	<b>(18,494)</b>	<b>(31,893)</b>
<b>Other Comprehensive Income:</b> <i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value losses arising during the year	(53,608)	(24,959)
Fair value (gains)/ losses transferred to income	(7,642)	725
Impairment losses transferred to income	22,126	46,158
Exchange translation differences	-	(1)
<b>Other Comprehensive (Loss)/ Income for the year</b>	<b>(39,124)</b>	<b>21,923</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(57,618)</b>	<b>(9,970)</b>

**Trinidad and Tobago Unit Trust Corporation**  
**US DOLLAR INCOME FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2015**  
**Expressed in Trinidad and Tobago Dollars**

	Net Assets			Fair Value Reserve	Fund Reserves	Capital Reinstatement	Total
	Attributable to Unitholders	Other Reserves	Retained Earnings				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 January, 2015</b>	<b>4,009,767</b>	<b>180</b>	<b>(73,259)</b>	<b>(2,959)</b>	<b>47,430</b>	<b>73,259</b>	<b>4,054,418</b>
Net Income Available for Distribution	-	-	25,610	-	-	-	25,610
Exchange translation differences	26,497	1	(484)	-	314	484	26,812
Subscriptions from unit holders	954,205	-	-	-	-	-	954,205
Redemptions to unit holders	(874,674)	-	-	-	-	-	(874,674)
Distribution to unit holders	-	-	(36,399)	-	-	-	(36,399)
Capital Reinstatement	-	-	-	-	-	-	-
Net Allocation to Reserves	-	-	(7,705)	-	7,930	-	-
Other Comprehensive Income for the year	-	(18,494)	18,494	(39,124)	-	-	225
<b>Balance as at 31 December, 2015</b>	<b>4,115,795</b>	<b>(18,313)</b>	<b>(73,743)</b>	<b>(42,083)</b>	<b>55,674</b>	<b>73,743</b>	<b>4,111,073</b>
<b>Balance as at 1 January, 2014</b>	<b>3,858,329</b>	<b>180</b>	<b>(41,216)</b>	<b>(24,881)</b>	<b>66,451</b>	<b>41,216</b>	<b>3,900,079</b>
Net Income Available for Distribution	-	-	11,301	-	-	-	11,301
Exchange translation differences	121	-	(150)	(1)	-	150	120
Subscriptions from unit holders	998,444	-	-	-	-	-	998,444
Redemptions to unit holders	(847,127)	-	-	-	-	-	(847,127)
Distribution to unit holders	-	-	(31,142)	-	-	-	(31,142)
Capital Reinstatement	-	-	-	-	-	31,893	31,893
Net Allocation to Reserves	-	-	(12,052)	-	(19,021)	-	(31,073)
Other Comprehensive Income for the year	-	-	-	21,923	-	-	21,923
<b>Balance as at 31 December, 2014</b>	<b>4,009,767</b>	<b>180</b>	<b>(73,259)</b>	<b>(2,959)</b>	<b>47,430</b>	<b>73,259</b>	<b>4,054,418</b>

**Trinidad & Tobago Unit Trust Corporation**  
**US DOLLAR INCOME FUND**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2015**  
**Expressed in Trinidad and Tobago Dollars**

	31-Dec-15 \$'000	31-Dec-14 \$'000
<b>OPERATING ACTIVITIES</b>		
Net Income	25,610	11,301
<i>Adjustments to reconcile Net Investment Income to Net Cash</i>		
<i>Flow From Operating Activities:</i>		
Impairment	22,126	46,158
	47,736	57,459
<i>Movements in Working Capital</i>		
(Increase) /Decrease in Receivables	(59,908)	14,229
Increase/ (Decrease) in Payables	52,941	(7,259)
<b>Net Cash From Operating Activities</b>	<b>40,769</b>	<b>64,429</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of Investment Securities	(652,003)	(1,349,615)
Disposal of Investment Securities	763,151	1,031,282
<b>Net Cash Flow From/ (Used In) Investing Activities</b>	<b>111,148</b>	<b>(318,333)</b>
<b>FINANCING ACTIVITIES</b>		
Subscriptions from Unitholders	954,205	998,444
Redemptions to Unitholders	(874,674)	(847,127)
Distribution to Unitholders	(36,399)	(31,142)
Interest Earned on Fund Reserves	224	192
<b>Net Cash From Financing Activities</b>	<b>43,356</b>	<b>120,367</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>195,273</b>	<b>(133,537)</b>
Cash and Cash Equivalents at beginning of year	368,447	501,343
Translation Differences on Fund Reserves	1	625
Translation Adjustments	2,925	16
Cash and Cash Equivalents at end of year	<b>566,646</b>	<b>368,447</b>